THE MADRAS CO-OPERATIVE MANUAL

REVISED BY

T. AUSTIN, I.C.S.,

Registrar of Co-operative Societies, Madras

VOLUME II

MADRAS

PRINTED BY THE SUPERINTENDENT, GOVERNMENT PRESS

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THE MADRAS CO-OPERATIVE MANUAL

VOLUME II

BY-LAWS OF THE CO-OPERATIVE LAND MORTGAGE BANK, LIMITED.

NOTE.—In these by-laws, unless there is something repugnant to the context, the words "the bank," and "the board" shall refer to this co-operative land mortgage bank, and to the board of directors of this bank, and the words "Central Mortgage Bank", shall refer to the Madras Co-operative Central Land Mortgage Bank, Limited.

The Co-operative Land Mortgage Bank, Limited, No. , is registered as a co-operative society under Act VI of 1932 (Madras). Its address shall be village, post, taluk, district. Its operations shall be confined to the villages in list (A) annexed hereto. Loans, however, may be granted to members on the security of immovable property situated in the villages in list (B) annexed hereto. But the possession of immovable property in the villages in list (B) shall not entitle a person to become a member of the bank.

Objects.

2. Its objects are—

(*a*) to promote the economic interests of its members and more particularly to arrange for funds to be lent to its members on mortgage security for—

(i) the redemption of mortgages on agricultural land;

(ii) the improvement of agricultural land and of methods of cultivation;

(iii) the discharge of other prior debts; and

(iv) the purchase of land in special cases so as to enable the ryot to round off his holding and work it more economically; and

(*b*) to encourage in the members the spirit and practice of thrift, mutual help and self help in such ways as may be decided upon from time to time.

3. For the furtherance of these objects the bank may become a member of the Central Mortgage Bank.

Shares.

4. The share capital of the bank shall for the present be Rs. made up of "A" class shares of Rs. 10 each and Rs. made up of "B" class shares of Re. 1 each. "B" class share-holders shall have no power to vote.

5. Only persons over 18 years of age who are competent to contract and who own agricultural land situated in the area of operations of the bank shall be eligible for admission as members. Minors may also be admitted through their legal guardians. But persons who are nominated to the board under by-law 18 and who are deemed to be members of the bank under by-law 7 need not necessarily own agricultural land situated in the area of operations of the bank so as to be eligible for admission as members.

6. Applications for admission as members and for allotment of shares shall be made to the Secretary in the form, if any, prescribed by the bank for the purpose. Every such application shall be disposed of by the board which shall have power to grant admission or to refuse it without assigning reasons.

7. (*a*) Every member shall take at least one share.

(*b*) But persons nominated as directors of the bank under by-law 18 shall be deemed to be members of the bank during the period they hold office of directors under by-law 18 and it shall be competent to them to take shares under this by-law.

(*c*) Every member shall pay an entrance fee of annas for each share taken by him at the time of taking the share provided that the total payment of entrance fees by any one member for all the shares held by him shall not exceed Rs. .

(*d*) The value of each share shall be paid in full on allotment.

8. With the sanction of the board a member may, at any time, increase the number of shares held by him.

Membership.

9. The liability of the members of the bank shall be limited to the share capital subscribed by them.

10. No member shall be permitted to transfer his share or shares or create a charge in respect of the same in favour of another member or person except with the previous sanction of the board. In all such cases a transfer fee of annas per share shall be paid to the bank by the transferee.

11. No member shall be permitted to withdraw any of the shares held by him in the bank.

12. Should a member cease to hold the qualifications necessary for admission to membership of the bank, the board shall remove his name from the list of members and shall pay him back within a reasonable period the share capital actually paid by him with the dividend declared, if any, after deducting therefrom the money, if any, due from him to the bank either as principal debtor or as surety.

13. (1) If a member dies, his membership shall *ipso facto* cease.

(2) (*a*) Every member of the bank may nominate any person to succeed, in the event of his death, to his share or interest

in the bank. Such nomination shlal, in the event of his death, be given effect to by the bank provided—

(i) the nomination was signed by the deceased in the presence of at least two witnesses attesting the same;

(ii) the nomination has been registered in the books of the bank kept for the purpose; and

(iii) the person nominated shall have been admitted by the board as a member of the bank under by-law 6.

(*b*) In the event of there being no person nominated by the deceased member *who is qualified in accordance with the by-laws for membership of the society, the society shall transfer* the share or interest of the deceased member to *such person as may appear to the committee to be* the heir or legal representative of the deceased or to any person nominated by such nominee, heir or legal representative within one month of the death of the deceased member, provided such heir or legal representative or nominee shall have been admitted by the committee as a member of the society under by-law 6.

(*c*) In the event of there being no person *qualified* to succeed under clause (*a*) or (*b*) of this by-law to the share or interest of a deceased member, the society shall pay to the nominee of the deceased or to the heir or legal representative as the case may be, a sum representing the deceased member's share or interest at the time of his death, ascertained in accordance with the by-laws of the society.

(3) Subject as aforesaid, the society may pay all other moneys due to the deceased member from the society, to the person nominated by him in accordance with clause (2) (*a*) of this by-law or to such person as may appear to the committee to be the heir or legal representative of the deceased member, as the case may be.

14. (1) A past member shall be liable as provided in by-law 9 for the debts due by the bank as they existed on the date when he ceased to be a member, for a period of two years from such date.

(2) The estate of a deceased member shall be liable as provided in by-law 9 for the debts due by the bank as they existed on the date of his decease for a period of two years after his decease.

15. If a member deceives the bank in any way or drives it to court to recover any money due from him, or if his general conduct is such as to render his removal necessary in the interests of the bank, it shall be open to the general body to expel him. An expelled member shall be paid all moneys due to him from the bank after deducting therefrom any money due from him to the bank. After such expulsion, he shall, for a period of two years, continue to be liable as provided in by-law 9 for the debts due by the bank as they stood on the date of his expulsion.

Funds.

16. The bank will ordinarily obtain funds from the following sources:—

(i) share capital,
(ii) loans from the Central Mortgage Bank, and
(iii) entrance and other fees.

Maximum borrowing power.

17. It shall be competent to the board to borrow funds from the Central Mortgage Bank on the security of the mortgages obtained by the bank from the members under by-law 42 and of other securities obtained by the bank and its other assets, and to execute to the Central Mortgage Bank deeds of assignment and such other documents as may be necessary. The total borrowings of the bank shall not at any time exceed twenty times the paid-up share capital plus reserve fund. The interest payable on the borrowed amount shall not exceed 7 per cent.

Management.

18. (*a*) The executive management of the affairs of the bank shall vest in a Board of Directors. The board shall consist of 7 members elected by the general body. Besides the seven elected members, two members shall be nominated to the board, one by the Registrar of Co-operative Societies and the other by the President, Central Mortgage Bank. The nominated members shall have the same rights, privileges and obligations as any elected member. For the purposes of election to the board the villages mentioned in list (A) to by-law 1 shall be divided by the general body into not more than five convenient groups and a member residing in each group shall be elected by the general body and the remaining members other than the two nominated members shall be elected from among the members wherever they may reside in the jurisdiction of the bank. Interim vacancies in the board from among members elected from each group of villages may be filled up by the remaining members of the board by co-optation from among members residing in such groups for the unexpired portion of the period. Interim vacancies amongst the other elected directors may also be filled up by co-optation by the remaining members of the board for the unexpired portion of the period. The elected members of the board shall hold office for three years or after the expiry of their term of office until by election another board is constituted. A retiring member of the board shall be eligible for re-election. Any elected member or members of the board may, at any time, be removed by a resolution of the general body.

(*b*) The nominated directors shall hold office for such period as the authority nominating them may from time to time prescribe, provided that such authority may terminate the nomination of such director at any time and nominate another in his place. The nominated directors shall not be indebted to the bank during their term of office.

(*c*) The board, after it is formed, shall elect from among its members a President, a Secretary and a Treasurer.

(*d*) Notwithstanding anything contained in these by-laws, the first set of directors shall be nominated by the Registrar of Co-operative Societies. They shall hold office for two years. The Registrar may, however, in the interests of the bank terminate the nomination of any director at any time and nominate another in his place. Any vacancy that may arise in the first set of directors shall be filled up for the rest of the period by the remaining directors of the board.

19. No member shall be qualified for election to the board if he—

(*a*) has been adjudged insolvent, or
(*b*) has compounded with his creditors, or
(*c*) is of unsound mind, or
(*d*) has been convicted of an offence involving moral turpitude, or
(*e*) is concerned in the profits of any contract made by the bank.

20. A member of the board shall cease to hold office—

(*a*) if he becomes disqualified under by-law 19, or
(*b*) if he gives the board notice in writing that he resigns the office, or
(*c*) if he absents himself from four consecutive meetings of the board, provided that a member ceasing to hold office under this clause may be reinstated by the board.

21. Any member of the board who commits default in respect of a loan taken by him from the bank shall *ipso facto* be considered disqualified to continue as a member of the board. But if the default has been for a period of three months or less, the defaulter may be reinstated by the board on his showing good cause for the default. In no circumstance shall a defaulter continue to hold office as a member of the board if his default has continued for more than three months. The vacancy caused by a director ceasing to hold office under this by-law shall be filled up by co-optation under by-law 18 for the unexpired period of the tenure of office of the board, the vacating director being disqualified for such co-optation.

22. The board shall meet as often as may be necessary to conduct the affairs of the bank.

Powers of the Board.

23. All questions before the board shall be decided by a majority of votes. Should there be an equlity of votes, the president, or other presiding member shall have a casting vote. The quorum for a meeting of the board shall be five. No member of the board shall be present at a meeting of the board when any matter in which he is personally interested is being discussed.

24. It shall be the duty of the board to maintain such accounts and registers as are prescribed by the rules made under the Madras Co-operative Societies Act, 1932, and the Madras Co-operative Land Mortgage Banks Act, 1934, and by the Registrar from time to time, to place before a general meeting of the members the Registrar's notes of audit or inspection, within one month from the date of receipt, to correspond with the Registrar and to do all other business relating to the bank.

25. The board shall have power to prescribe from time to time the scale of office establishment and to incur such expenditure as may be necessary for the management of the bank with reference to the scale and within the budget allotment sanctioned by the general body for each year. It shall be competent to the secretary to incur petty contingent expenditure subject to a maximum of Rs.   for any item.

26. The board shall be competent to fix the amount and nature of the security, if any, to be given by the members of the office establishment.

27. It shall be competent to the board to frame subsidiary by-laws for the conduct of the business of the bank consistent with the Madras Co-operative Societies Act, 1932, and the Madras Co-operative Land Mortgage Banks Act, 1934, the rules under these Acts and these by-laws. Such subsidiary by-laws shall be entered in the minute book of the bank and they shall be reported to the Registrar of Co-operative Societies for approval.

28. The services of the members of the board shall be gratuitous except as provided in by-law 45.

Officers of the Bank.

29. Subject to such resolutions as the board may from time to time pass, the several officers of the bank shall have the powers mentioned below:—

(*a*) The president shall have a general control over the affairs of the bank. He shall also have the power. subject to the approval of the President, Central Mortgage Bank, to appoint and remove the supervisor of the bank and subject to the like approval to fix his pay and allowances. He shall also have further power to appoint all the other members of the establishment himself as well as to fine, suspend, or dismiss them, subject in the last two cases, to the approval of the board.

(*b*) The secretary shall be responsible for the executive administration of the bank subject to the control of the president.

(*c*) The president shall be the officer to sue or be sued on behalf of the bank and all bonds in favour of the bank shall be in the name of the president. All bonds by the bank shall be executed by three directors, the president or the secretary being one of them.

(*d*) The treasurer shall have custody of all properties of the bank. He shall take charge of all moneys received by the bank from the members and from others and shall make disbursements in accordance with the directions of the board. He shall sign the cash book in token of its correctness and produce the cash balance whenever called upon to do so by the board or by the auditor.

30. Receipts shall be issued for all moneys paid into the bank. For moneys paid by members or others, receipts shall be signed by the president or secretary or treasurer whoever is elected by the board to discharge this function.

General body.

31. The ultimate authority in all matters relating to the administration of the bank shall be the general body of the members who shall meet from time to time and at least once a year to conduct the work of the bank. The following among other matters shall be dealt with by the general body:—

(i) the election and removal of the members of the board;
(ii) the annual report due to the Registrar of Co-operative Societies;
(iii) the Registrar's annual audit certificate;
(iv) the amendments to the by-laws;
(v) the expulsion of a member;
(vi) the consideration of any complaint which any individual member may prefer against the board;
(vii) the returns that may be prescribed by the Local Government;
(viii) the affiliation of the bank to the Central Mortgage Bank; and
(ix) the election of delegates to the Central Mortgage Bank.

32. A meeting of the general body of the members may be convened whenever necessary for the conduct of the business by the board and shall be so convened by the board at the request of fifteen or more members or at the instance of the Registrar.

33. It shall be the duty of every member to attend the general meetings. The quorum for a general meeting shall be   or one-fourth of the total number of members on the list at the time, whichever is less.

34. The president, when present, shall preside at the general meetings. In his absence the members present may choose a chairman from their number to preside at the meeting. Every member present shall have one and only one vote. All questions shall be decided by a majority of votes of the members present and voting. When votes are equal, the chairman of the meeting shall have a casting or second vote.

35.   clear days' notice shall be given to members for a general meeting.

36. No amendment to, alteration in, or cancellation of, a by-law and no enactment of a new by-law shall be made except at a general meeting of the members or shall take effect until it shall have been approved by the Registrar.

Loans.

37. Loans shall be given only to members, but no member can claim a loan as a matter of right. Applications for loans shall be disposed of by the board. No loan shall be granted without the approval of the Central Mortgage Bank.

38. All applications for loans shall be made to the secretary in the form prescribed for the purpose. He shall place them before the board which shall have discretion to grant or reject loans without assigning any reasons.

39. Loans may be given only for the following purposes:—

(i) Redemption of mortgages;
(ii) discharge of other prior debts;
(iii) improvements of land and of methods of cultivation; and
(iv) purchase of lands in special cases on condition that such purchase wil enable the ryot to round off his holding and work it more economically.

40. No member shall at any time be indebted to the bank by way of principal to the extent of more than Rs. 5,000 on account of any loan or loans taken by him. Subject to this maximum, a member shall be eligible for a loan not exceeding twenty times his paid-up share capital. Further, the loan given to a member on the mortgage of land shall not exceed three-fourths of the estimated net income from that land during the period of the loan. Notwithstanding anything contained in this by-law where a person is a member of more than one land mortgage bank, his total borrowings from them shall not exceed Rs. 5,000.

41. Interest on loans granted by the bank shall, for the present, be charged at a rate not exceeding 8 per cent per annum, the first year being reckoned from the date on which the interest on the loan begins to run is disbursed to the corresponding date of the succeeding year. Interest shall be calculated on the daily balances of principal outstanding from time to time.

42. Every loan shall be secured by a mortgage of lands and shall not exceed 50 per cent of the estimated market value of such lands. The mortgage shall be without possession. In exceptional cases, however, when the landed property offered as security by the member is not sufficient for the loan applied for by him house property commanding rental value within the limits of municipality and major unions may be accepted provided that four-fifths of the security offered are land only, one-fifth is house property.

43. The land mortgaged to the bank as security under by-law 42 shall have no prior encumbrances save the mortgage or mortgages to be redeemed by the loan given by the bank.

The board may permit a member to alienate his mortgaged property and to transfer his loan to a person who is a member of the bank or to one whom the board is willing to admit as a member provided the transferee pays the entire arrears up to date, if any and agrees to execute the necessary bonds and binds himself to pay the further instalments regularly. The previous sanction of the President, Central Mortgage Bank, and of the Registrar of Co-operative Societies shall be obtained before any transfer is permitted. It shall be open to the bank for reasons to be recorded, while accepting the transfer and admitting the transferee as a member, to decline to exonerate the transferor-mortgagor from liability to the debt under the mortgage deed executed by him.

Any member who desires to alienate any portion of his mortgaged property shall obtain the previous permission of the Board of the Primary Land Mortgage Bank, of the Madras Co-operative Central Land Mortgage Bank and of the Registrar of Co-operative Societies, Madras. It shall be competent for the said board, the Madras Co-operative Central Land Mortgage Bank, Limited, or the Registrar of Co-operative Societies to grant or refuse permission on such terms and conditions as they may deem fit. In the event of failure by the member to comply with the terms and conditions aforesaid, the said board may recover the whole loan amount without reference to the period for which the loan was originally granted.

44. When a mortgage deed is executed by a member, the board shall insist on all persons interested in the property joining in the execution whether such persons are themselves members or not. In the case of the latter, a special " B " class share fee of Re. 1 shall be levied from each.

45. Every application for a loan shall be accompanied by the title-deeds and other documents relating to the land proposed to be mortgaged. All lands proposed to be mortgaged shall be inspected by two members of the board deputed for the purpose by the board. The members so deputed shall submit an accurate estimate of the market value of the land and a list of all persons having any interest therein specifying the interest of each. Every applicant for a loan shall pay a fee of to meet the travelling allowance of the directors deputed to inspect his land and the charges for running the administration of the bank. These expenses will be calculated according to a scale prescribed by the board with the approval of the general body.

Every applicant for a loan shall also pay a fee of one rupee for every Rs. 1,000 or part thereof of the loan applied for subject to a minimum of Rs. 2 and a maximum of Rs. 7 to meet the cost of legal opinion on the loan application. The fees so collected may be paid to the legal adviser of the bank, provided, however, that the legal adviser is not a member of the Board of Directors.

Every applicant for a loan shall produce the documents required by the bank within three months from the date of requisition and on failure to do so without satisfactory reasons, the loan application shall stand rejected. It is however open to the bank to restore the application on payment of a penalty of Rs. 3 by the member.

One-half of the administration charges collected may be refunded to an applicant for a loan if he withdraws his application or if the application is rejected before the Surveying Director has inspected the properties offered for mortgage. The fees collected for payment to the legal adviser may be refunded to an applicant if no expenditure has been incurred by the bank for obtaining legal opinion in respect of that loan application.

Members of the board deputed to inspect the land proposed to be mortgaged shall in all cases be held strictly responsible for the correctness of their reports, estimates and valuations.

It shall be competent to the board to reject any such report, estimate or valuation.

If any applicant withdraws his application for a loan after the investigation by the bank is completed, a fine of one per cent on the loan applied for subject to a maximum of Rs. 15 may be collected from him.

46. No loan shall be granted for a period exceeding twenty years.

47. Should the board be of opinion that a loan granted by the bank has been applied for a purpose other than that for which it was granted, it shall at once take steps to recover the loan with interest without waiting for the expiry of the period for which it was granted.

48. The board shall have power to call in a loan without reference to the term for which the loan has been granted—

(i) if the land mortgaged as security for the loan is in danger of being swept away by river or flood or silted up with sand;

(ii) if the borrower acts as described in by-law 15 or acts in such a way as to cause loss to the bank;

(iii) if the value of the land mortgaged to the bank becomes depreciated and if the borrower fails to give additional security to the satisfaction of the board or if the borrower fails to repay a suitable portion of the loan as determined by the board; and

(iv) if for any reason the board considers that in the interests of the bank the loan shall be called in.

NOTE.—The additional security referred to in this by-law shall be land or other immovable property or two reliable personal sureties who must be members of the bank, or an insurance policy taken out in the name of the borrower or a member of his family.

48A. A member who has taken a loan shall repay the amount together with the interest due thereon either by the equated annual instalment or at his option in annual instalments together with interest due on the amount outstanding from time to time. After exercising his option a member shall not ordinarily be allowed to change his method of repayment. Nothing however shall prevent or debar a member from repaying at any time a larger sum than the annual instalment or from discharging the whole in a single repayment.

Payments made before the due date shall be dealt with as follows:—

When a member pays any sum before the due date, it shall be credited on the due date for the next instalment and till such credit is made, interest at the rate which the loan carries shall be paid on such amount. After making such credit, the balance, if any, shall be applied for the payment of the principal amount of as many future instalments as it will cover, the corresponding interest in such instalment or instalments not being charged. If there is any further balance, it shall be held to his credit till the due date for the next instalment, interest being paid, meanwhile at the rate at which the loan carries. Notwithstanding any advance payment or payments credited as aforesaid towards principal, interest on the outstanding amount of principal after giving credit to the payments as aforesaid shall be paid regularly on the due dates of the instalments in respect of which the payment of the principal amount has been credited as above, provided, however, that where the advance payment made discharges the amount of the loan together with interest accrued up to the date of payment the adjustments shall, not withstanding anything contained above, be made forthwith and the loan cleared.

49. If a borrower is in arrears in respect of any instalment, the whole loan may without reference to the rate fixed for payment of future instalments and at the option of the directors become recoverable. The board shall, however, exercise the option at once to recover either the overdue instalment or the entire loan if the default continues for more than three months. If the board does not in such a case choose to exercise the option of recovering the entire outstanding loan, but is inclined for satisfactory reasons to waive it, it may do so, provided it collects all arrear interest due from the borrower and obtains the previous permission of the President, Central Mortgage Bank, and informs the Registrar that such permission has been obtained. It shall also communicate its decision to the mortgagor. In such a case it may file a suit or proceed otherwise, as laid down in the Madras Co-operative Land Mortgage Banks Act, 1934, to recover instalments in default without suing for or taking steps to recover the entire outstanding loan. The board shall not exercise the option

and waive the default and sue to recover the instalments in default after the lapse of the period fixed in the bond for the payment of the entire loan. On all overdue instalments a fine of $1\frac{1}{2}$ per cent per annum more than the rate at which the loan was issued shall be levied from the mortgagor.

50. The board shall not re-loan the recoveries made from borrowers except with the previous sanction of the Central Mortgage Bank, and in all such cases of re-loans the mortgages taken shall, as before, be immediately assigned to the Central Mortgage Bank.

51. The amount of paid-up share capital or any other money to the credit of a member or a past member shall be subject to a first charge in favour of the bank in respect of any moneys due to the bank from such member or past member. The bank shall be at liberty to appropriate the whole or any portion of such paid-up share capital or any other money to the moneys due by the member to the bank.

52. When a member from whom money is due pays any sum, it shall be appropriated in the following order:—

Firstly, to fees, fines, postal, registration and other miscellaneous charges due by him;
Secondly, to interest; and
Thirdly, to principal.

53. When a loan is cancelled by the board under by-law 47 on account of its misapplication, the loan account shall at once be closed without reference to the term for which the loan has been granted. When an account is so closed or closed under by-law 48 or 49, the board shall inform the borrower of the fact and of the amount outstanding against him, including interest up to date of closing the loan account. On the total amount so found due, to the borrower shall be charged interest at $1\frac{1}{2}$ per cent per annum more than the rate at which the loan was issued from the date of closing the loan account to the date of recovery and steps shall be taken without delay to recover the amount.

54. When a surety dies or ceases to be a member under by-law 12 or 15 and his name has on that account been removed from the list of members, the board shall require the borrower to produce a fresh surety. If a fresh surety is not produced or arrangements are not made to repay the loan within a time to be fixed by the board the loan account shall at once be closed and action taken as laid down in by-law 53. In respect of such accounts also interest shall be charged at $1\frac{1}{2}$ per cent per annum more than the rate at which the loan was issued from the date of closing the loan account to the date of recovery.

55. If a member becomes ineligible for membership at any time and his name has on that account to be removed from the list of members under by-law 12 or if a member is expelled under by-law 15 or if a member dies and his heir or legal representative does not become a member of the bank and undertake to repay

the loan according to the terms of the contract, the loan account, if any, of the member concerned shall at once be closed without reference to the term for which the loan has been granted, and action shall be taken to recover from the borrower or his heir or legal representative as the case may be, the amount outstanding against him including interest up to the date of closing the loan account. Interest shall be charged at $1\frac{1}{2}$ per cent per annum more than the rate at which the loan was issued on the amount so found outstanding from the date of closing the loan account to the date of recovery.

Profits.

56. The net profits of the bank as declared by the Registrar every year shall be disposed of as shown below:—

(i) not less than 25 per cent shall be carried to the credit of the reserve fund;

(ii) out of the remainder, a dividend, subject to a maximum of 5 per cent per annum on the paid-up value of each share, may be paid to members proportionately to the amount of paid-up share capital held by each and also to the period during which the paid-up share capital was so held during the year; and

(iii) the balance shall be added to the reserve fund.

NOTE.—All undisbursable and indivisible profits shall be added to the reserve fund.

Reserve fund.

57. (1) The reserve fund shall belong to the bank as a whole and is intended to meet unforeseen losses. No member can claim a share in it. It shall be invested in such manner as the Registrar of Co-operative Societies prescribes and shall not be drawn upon except with his sanction.

(2) On the dissolution of the bank, the reserve fund and other funds contributed by it under the provisions of its by-laws shall be applied—

(i) to discharge such liabilities of the bank as may remain undischarged after the enforcement in full of the liability of the members of the bank;

(ii) to the repayment of share capital paid up; and

(iii) to the payment of dividend upon such share capital at a rate not exceeding 5 per cent per annum for any period or periods for which no dividend has been paid.

(3) Such portion of these funds as shall remain after payments mentioned in sub-clause (2) shall be applied to such local objects of public utility as may be selected by the general body and approved of by the Registrar. If within thirty days of the final closing up of the bank the general body fails to make any selection that is approved of by the Registrar, the latter may use the abovementioned portion of the funds in supporting other co-operative societies in the neighbourhood or shall place the same on interest or otherwise with some co-operative bank until

a new co-operative bank with a similar area of operations is registered, in which event the funds shall be carried to the reserve fund of such bank.

Miscellaneous.

58. The board shall prepare annually in such form as may be prescribed by the Registrar—

(*a*) a statement showing the receipts and disbursements for the year;

(*b*) a profit and loss account;

(*c*) a balance sheet; and

(*d*) such other statements as may be prescribed by the Registrar.

These statements shall be made up to 30th June and a copy of each shall be sent to the Registrar within fifteen days after the close of the co-operative year ending with 30th June. After the Registrar has verified the statements and granted his audit certificate, the bank shall publish such of the prescribed statements as he may direct in the manner prescribed by him.

59. Should any doubt arise as to the construction or meaning of the provisions of the Madras Co-operative Societies Act, 1932, of the Madras Co-operative Land Mortgage Banks Act, 1934, or of any by-law of the bank or as to the validity or effect of the proceedings of a meeting of the board or of the general body, the board shall refer the same to the Registrar of Co-operative Societies for advice and act according to his advice which shall be final.

60. Every director of the bank shall sign a declaration in the form set out hereunder pledging himself to observe strict secrecy respecting all transactions of the bank and all matters relating thereto and shall by such a declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required or authorized to do so by the board or by law.

Every member of the establishment shall also sign a declaration in a similar form and pledge himself to secrecy.

Form of declaration.

I, $\frac{\text{director of}}{\text{member of establishment}}$ the Land Mortgage Bank do solemnly and sincerely declare that I will observe strict secrecy respecting all transactions of the bank and all matters relating thereto and that I will not directly or indirectly communicate or divulge any of the matters or any information which may come to my knowledge in the discharge of my duties as such $\frac{\text{director}}{\text{member of establishment}}$ except when required or authorized to do so by the board or by law.

(Signed)

BY-LAWS OF THE CO-OPERATIVE CREDIT SOCIETY, No.

Name, constitution and address.

The Co-operative Credit Society No. is registered as a co-operative society under Act VI of 1932 (Madras). Its address shall be village post in the taluk of in the district. Its operations shall be confined to . Loans may, however, be granted to members on the security of their immovable property situate in

Objects.

2. The objects of the society shall be—

(1) to borrow funds from members or others to be utilized for loans to members for useful purposes;

(2) to act as the agent for the joint purchase of the agricultural, domestic and other requirements of its members and for the joint sale of their produce:

(3) to purchase and own implements, machinery or animals for hire to its members;

(4) to disseminate a knowledge of the latest improvements in agriculture, handicrafts and weaving, and encourage its members to adopt them; and

(5) generally to encourage thrift, self-help and co-operation among the members.

Membership.

3. All the members shall, on the liquidation of the society, be jointly and severally liable for and in respect of all its obligations.

4. The capital of the society shall for the present be Re. made up of shares of Rs. each. The value of each share shall be paid either in one lump sum on allotment or in instalments. When paid in instalments, Rs. shall be paid at the time of taking the share and the balance in months/years commencing from the month/year subsequent to that in which the share was taken; the monthly/annual instalment shall be paid on or before the 15th day of the month/last day of the year to which it relates. The month/year in this by-law means the British calendar month/co-operative year. A member who has elected to pay the share value in instalments may pay the whole or any portion of the balance at any stage in advance. If a member is in arrears to the extent of a sum equivalent to or more than three monthly instalments/an annual instalment, his name may be removed from the list of members in which case he shall be

paid back after a period of six months at once the share capital actually paid by him after deducting therefrom the moneys, if any, due from him to the society.

5. (*a*) Any person over 18 years of age who is competent to contract residing within the limits referred to in the third sentence of by-law 1 shall be eligible for admission as a member; but no person can claim admission as a matter of right. No person who is already a member of another co-operative credit society whether limited or unlimited except a Land Mortgage Bank shall be admitted as or be a member of this society.

(*b*) No member who has been expelled by the society or by any other society shall be eligible for readmission as a member of the society for a period of two years from the date of such expulsion provided that the Registrar may, in special circumstances, sanction the readmission of any such member within the said period as a member of the society.

(*c*) No person shall be eligible for admission as a member of the society if he is an applicant to be adjudicated a bankrupt or an insolvent or is an uncertified bankrupt or an undischarged insolvent.

Any member of the society who applies to be adjudicated a bankrupt or an insolvent shall cease to be a member of the society.

6. Applications for admission as members and for allotment of shares shall be made to the Secretary in the form, if any, prescribed by the society for the purpose. Every such application shall be disposed of by the Panchayat who shall have power to grant admission or to refuse it without assigning reasons.

7. Every member shall take at least one share, but no member shall take more than   shares. Every member shall pay an entrance fee of   annas for each share taken by him at the time of taking the share provided that the total payment of entrance fees by any one member for all the shares held by him shall not exceed Rs.

8. No member shall be permitted to withdraw any of the shares held by him in the society within   years after the date when such shares were taken by him. But a member may withdraw shares with the consent of the Panchayat after such period provided firstly that he has given at least six months' notice of withdrawal, secondly that there are no debts due from him to the society and thirdly and there are no debts due to the society in regard to which he has stood surety. When a member withdraws shares under this by-law, he shall be paid back the share capital actually paid by him with the dividend declared, if any.

9. Should a member cease to be eligible for membership either on account of the removal of his residence from the limits prescribed in by-law 1 or for any other cause, the Panchayat shall

remove his name from the list of members and shall pay back within a reasonable period to such member the share capital actually paid by him with the dividend declared, if any, after deducting therefrom the moneys, if any, due from him to the society either as principal debtor or as surety.

10. (1) If a member dies, his membership shall *ipso facto* cease.

(2) (*a*) Every member of the society may nominate any person to succeed, in the event of his death, to his share or interest in the society. Such nomination shall, in the event of his death, be given effect to by the Panchayat provided:

(i) the nomination was signed by the deceased in the presence of at least two witnesses attesting the same;

(ii) the nomination has been registered in the books of the society kept for the purpose; and

(iii) the person nominated shall have been admitted by the Panchayat as a member of the society under by-law 6.

(*b*) In the event of there being no person nominated by the deceased member in accordance with clause (*a*) of this by-law, the share or interest of the deceased may be transferred to such person as may appear to the panchayat to be the heir or legal representative of the deceased member provided such heir or legal representative has been admitted by the panchayat as a member of the society under by-law 6.

(*c*) The nominee of a deceased member, and if no person has been nominated, such person as may appear to the panchayat to be the heir or legal representative of the deceased, may require payment of the share or interest of the deceased member and on such request the society shall pay to the nominee, heir, or legal representative as the case may be, a sum representing the deceased member's share or interest at the time of his death, ascertained in accordance with the by-laws of the society.

(3) Subject as aforesaid, the society may pay all other moneys due to the deceased member from the society, to the person nominated by him in accordance with clause (2) (*a*) of this by-law or to such person as may appear to the committee to be the heir or legal representative of the deceased member, as the case may be.

11. (1) A past member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date when he ceased to be a member, for a period of two years from such date.

(2) The estate of a deceased member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date of his decease for a period of two years after his decease.

12. No member shall be permitted to transfer any share or shares held by him to another.

13. With the sanction of the Panchayat a member may, at any time, increase the number of shares held by him so as not to exceed the limit of shares laid down in by-law 7. But no member shall be permitted to reduce the number of shares held by him within years after the date when such shares were taken by him.

Deposits.

14. Deposits may, at the discretion of the Panchayat, be received at any time from members or non-members.

15. Deposits from members shall be given preference to deposits from non-members.

16. There shall be classes of deposits—A. Fixed, B. Recurring, C. Saving, D. Current, E. Homesafe, and F chit funds.

A.—Fixed deposits.

(i) A fixed deposit is the deposit of a fixed amount of money for a fixed period of time. No fixed deposit shall be received for a sum less than Rs. 5 or an exact multiple thereof, or for a period less than six months.

(ii) Interest shall ordinarily be calculated on fixed deposits at a rate not exceeding per cent per annum. Should a fixed deposit from a member or from a co-operative society be made for a period of not less than one year, the deposit being not less than Rs. 100, interest may be paid thereon at a rate not exceeding per cent per annum. Interest on fixed deposits shall be paid yearly or at such shorter intervals as may have been agreed upon at the time of deposit.

(iii) The interest on a fixed deposit shall cease on the expiry of the period for which the deposit was made unless notice in writing of the intention to renew the deposit for a further period of not less than six months has been received in the office of the society before the expiry of the original period. The society is not, however, bound to renew a fixed deposit after the expiry of the period for which it was made, but in case of such refusal interest shall be payable at the former rate until the date of such refusal.

B.—Recurring deposits.

A recurring deposit is a deposit made by a person who undertakes to pay to the society every month a fixed amount of one rupee or a multiple or a sub-multiple thereof for a period of 12, 24, 45, 84 or 132 months. A depositor paying one rupee per mensem for a period of 12, 24, 45, 84, or 132 months shall, before the close of the 14th, 26th, 47th, 86th and 134th month, receive a sum of Rs. 12–6–3, Rs. 25–8–0, Rs. 50, Rs. 102–8–0 or Rs. 180–8–0, respectively, as the case may be, out of which the sum of Rs. 12, 24, 45, 84 or 132 shall be debited in the accounts as repayment of principal and the balance as interest thereon. Every recurring depositor shall pay his monthly deposit before the end of

the calendar month to which it relates, failing which he shall be charged a fine of two pies per rupee per month or fraction thereof on every rupee overdue. Should a recurring depositor be in arrears to the extent of a sum equivalent to or more than four monthly instalments, his deposit account shall at once be closed. It shall however be competent to the Panchayat if they think fit to reopen the account provided the prescribed fine due up-to-date is paid or to pay back the amount actually paid by the depositor together with interest on the amount of deposits actually made calculated at a rate not exceeding 2/3 of the original rate provided the deposit amount was held by the society for a period of at least one year. It shall be open to the society to credit the whole or part of the amount due to him towards any money due from the depositor to the society. It shall be competent to a recurring depositor with the consent of the Panchayat, to alter the nature of his recurring deposit to any of the categories of such deposits prescribed in this by-law.

C.—Savings deposits.

(i) The Panchayat may permit any person to open a savings deposit account with the society. The minimum amount that a person shall hold in the account shall be Rs. and the maximum that can be received from a depositor in any one year shall be Rs. and the amount to his credit at any time shall not exceed Rs.

(ii) Interest shall be calculated on the savings deposit at not more than per cent per annum on the lowest credit balance on any date of each month. A depositor cannot withdraw money from his savings deposit account unless previous notice of at least one month of such withdrawal in each case has been given. No notice of any kind is, however, necessary for withdrawals from such account up to a limit of Rs. 200 in a week (Monday to Saturday inclusive).

(iii) Every savings depositor will be supplied with a pass-book for which he shall be charged annas. If the pass-book is lost he shall be charged annas for the supply of a fresh pass-book.

D.—Current deposits.

(i) The Panchayat may permit any person to open a current account with the society. Interest shall be calculated on current deposits at per cent per annum on the lowest credit balance on any date of each month.

(ii) Every depositor shall be supplied with a pass-book for which he shall be charged annas. If the pass-book is lost, he shall be charged annas for the supply of a fresh pass-book.

E.—Homesafe deposits.

A homesafe deposit is a deposit made by a person who undertakes to deposit at his convenience in a homesafe any amount that he can spare and pay the contents thereof into the society every

month for a period of 12 months. Amounts paid to the credit of a homesafe deposit account by the fourth day of the month shall carry interest from the beginning of that month; amounts paid after that date shall carry interest only from the beginning of the next month. Interest shall be calculated at the rate of of a pie per rupee per month. The total amount, together with the interest accrued, will be payable to the depositor in the 13th month. Interest shall *ipso facto* cease from the close of the 12th month. No interest shall at any time be allowed on fractions of a rupee. Every homesafe depositor will be supplied with a pass-book free of charge and with a homesafe and a lock at a cost of annas. No transactions of any kind shall be effected in a homesafe deposits account without the production of the pass-book and the homesafe. A lost or spoilt pass-book or homesafe will be replaced by another on payment of or annas, respectively. The key of the homesafe shall be in the custody of the society and the safe shall be opened by the President or the Secretary in the presence of the depositor or his agent who produces it for the purpose of crediting the contents thereof to the depositor's account. The depositor shall at the time of obtaining payment of the amount to his credit return the pass-book to the society. Should a homesafe depositor fail to use the safe for a continued period of four months, his deposit account shall at once be closed and he shall be paid back the amounts actually paid by him, his pass-book being obtained back from him. It shall be open to the society to credit the whole or part of such amount towards any money due from the depositor to the society.

F.—Chit funds.

On an application of ten or more members, the Panchayat may start and conduct chit funds to secure savings and frame rules for that purpose subject to the following conditions:—

(*a*) the number of members of a single chit fund shall be not less than 10 and not more than 24;

(*b*) the total amount of any chit fund shall not be more than Rs. 2,400;

(*c*) the period during which a chit is to run shall be not less than 10 and not more than 24 months;

(*d*) every chit member must subscribe for at least one share, but no member can take more than three shares;

(*e*) the method of disposal of a chit amount shall be the auction system under which the pool or amount subscribed by all the members is knocked down to the member who bids the highest discount as consideration for drawing the pool. When there is no bid, the collection, less $4\frac{1}{2}$ per cent, shall be lent to the member selected by casting lots among all the members who have not already had loans under the system, or when two or more members bid the same discount, selection by casting lots shall be made among them;

(*f*) the discount in disposing of any chit fund shall be not less than $4\frac{1}{2}$ per cent and not more than 9 per cent;

(*g*) the members applying for the starting of a chit shall be jointly and severally responsible for any loss arising by any member or members of the chit failing to fulfil their engagements, and the society as a whole shall not be responsible for such loss;

(*h*) the Panchayat shall have full discretion in the matter of obtaining security from members to whom the chit amount is allotted;

(*i*) out of the discount or interest collected, one anna in the rupee shall be appropriated by the society towards the cost of establishment, the remainder being distributed among the members of the chit fund in the proportion of their shares; and

(*j*) any sums due to the society by members who are also subscribers to a chit fund may at the discretion of the Panchayat be deducted from the chit amount or discount or interest when it falls to them.

Other borrowings.

17. It shall be competent to the Panchayat to borrow funds otherwise than by way of deposits, either from members or from persons other than members, or from institutions registered under the Co-operative Societies Act, provided that the interest payable on the borrowed amount shall not, in any case, exceed per cent per annum, and provided also that the Panchayat shall not receive any such loan unless it shall have been sanctioned by the governing body of the union to which the society is affiliated.

18. (*a*) The total borrowings of the society, both by way of deposits or otherwise, and whether from members or others, shall not at any time exceed Rs. provided that the Registrar may for reasons to be recorded by him in writing reduce the limit fixed, and when he does so the limit as fixed by him shall not be exceeded.

(*b*) Of this sum of Rs. not more than Rs. shall be available for long term purposes. The maximum limit under by-law 18 (*a*), shall not however apply to the borrowings obtained by the society from the Co-operative Central Bank at on the pledge of produce definitely pledged to and placed in the custody of that bank in accordance with the subsidiary by-laws framed for the purpose by the bank.

Management.

19. Subject to such resolutions as the general body may from time to time pass, the executive management of the affairs of the society shall vest in a Panchayat. The Panchayat shall consist of not more than members.

20. The members of the Panchayat shall be elected by the general body for a period of one year from among the members. Members of the Panchayat shall continue in office after the expiry of their term of office until by election another Panchayat is constituted. A retiring member of the Panchayat shall be eligible for re-election. After the Panchayat is elected by the general body, they shall elect from among themselves a President, a Secretary and an Assistant Secretary. Interim vacancies on the Panchayat shall be filled by election by the general body. Any member or members of the Panchayat may at any time be removed by a resolution of the general body.

21. The Panchayat shall meet once a fortnight or oftener, if necessary, to conduct the affairs of the society. No decision of the Panchayat shall be valid unless it is assented to by at least members. All questions before the Panchayat shall be decided by a majority of votes. Should there be an equality of votes, the President or other presiding member shall have a casting vote.

22. Should a member of the Panchayat absent himself from four consecutive meetings of the Panchayat, he shall cease to be a member of the Panchayat, but may be reinstated by the Panchayat.

23. Subject to such resolutions as the Panchayat may from time to time pass, the several officers of the society shall have the powers mentioned below:—

(*a*) The President shall have a general control over all the affairs of the society and shall ex-officio be the Treasurer, and shall have the custody of all the properties of the society. He shall also have power to appoint the members of the establishment as well as to fine, suspend or dismiss them, subject in the last two cases to the approval of the Panchayat.

(*b*) The Secretary shall be responsible for the executive administration of the society, subject to the control of the President.

(*c*) The $\frac{\text{Secretary}}{\text{President}}$ shall be the officer to sue or be sued on behalf of the society, and all bonds in favour of the society shall be in the name of the $\frac{\text{Secretary}}{\text{President}}$.

(*d*) The Assistant Secretary shall help the Secretary. Should the Secretary or the Assistant Secretary require relief from work, it shall be competent to the President to grant such relief, making suitable arrangements for the conduct of work by one or more of the members of the Panchayat.

24. No member who at the time is in default to the society in respect of any loan or loans taken by him shall be elected as a panchayatdar of the society or to represent the society in another society and vote. Any member of the society who has been appointed as a panchayatdar of the society or to the committee of another

society or to represent the society in another society and vote, shall cease to hold his appointment as such, if he is in default to the society for a period of three months. He shall be disqualified for re-election as a panchayatdar for a period of six months from the date of his ceasing to hold his appointment as panchayatdar.

25. Receipts shall be issued for all moneys paid to the society. For moneys paid by members the receipt shall be signed by the President or the Secretary or the Assistant Secretary whoever is selected by the Panchayat to discharge this function. In the case of borrowings from non-members or from other societies, the receipt or bond shall be executed by at least   members of the Panchayat of whom the Secretary or the President shall be one.

26. It shall be the duty of the Panchayat to maintain such accounts and registers as are prescribed by rule V of the rules under the Act and by the Registrar from time to time to place before a general body meeting of the members the Registrar's notes of audit or inspection within one month from the date of receipt, to correspond with the Registrar and to do all other business relating to the society.

27. The Panchayat shall have power to prescribe from time to time the scale of the office establishment and to incur such expenditure as may be necessary for the management of the society with reference to the scale and within the budget allotment sanctioned by the general body for each year. It shall be competent to the Secretary to incur petty contingent expenditure subject to a maximum of Re. 1 for any item.

28. The Panchayat shall be competent to fix the amount and nature of the security, if any, to be given by the office establishment.

29. It shall be competent to the Panchayat to frame subsidiary by-laws for the conduct of the business of the society consistent with the Act, the rules under the Act, and these by-laws. Such subsidiary by-laws shall be entered in the minute book of the society and shall take effect only after the approval of the Registrar of Co-operative Societies.

30. The Panchayat shall work gratuitously. The general body may, however, sanction payment to any panchayatdar for clerical work done by him at a rate not exceeding 12 annas per Rs. 100 of the loans outstanding against members on the last day of the previous Co-operative year. The Panchayat may debit to the society any expenses actually incurred by them in doing the work of the society in the manner indicated below:—

(1) postal charges for remittances, etc., supported by proper vouchers;

(2) travelling allowance of members or panchayatdars to attend local union meetings or meeting of a district banking union with reference to the rates sanctioned by the general body if such travelling allowance is not paid to such members directly by the unions concerned;

(3) contributions to union expenditure within the limits sanctioned by the general body for each year or on any special occasion;

(4) establishment charges of a permanent or temporary character sanctioned by the general body;

(5) house-rent, furniture, cost of stationery, and other defined charges within the annual budget allotment sanctioned for each year by the general body; and

(6) any other item of expenditure under contingencies not exceeding one rupee.

The Panchayat shall not incur any other item of expenditure than those specified above without the previous sanction of the general body of the society.

General body.

31. The ultimate authority in all matters relating to the administration of the society shall be the general body of the members which shall meet from time to time and at least once a year to conduct the work of the society. The general body shall not, however, interfere with the actions of the Panchayat done in the exercise of powers conferred on it by the by-laws. The following among other matters shall be dealt with by the general body:—

(1) The election and removal of panchayatdars;

(2) the annual report due to the Registrar of Co-operative Societies;

(3) the Registrar's annual audit certificate;

(4) the amendment or repeal of any existing by-law or the enactment of a new by-law;

(5) the expulsion of a member;

(6) the consideration of any complaint which any individual member may prefer against the Panchayat;

(7) the returns that may be prescribed by the Local Government;

(8) the grant of loans to the members of the Panchayat and to their relations and dependants;

(9) the fixing of the maximum liability to be incurred by the society during each year with reference to the revised property statement of its members;

(10) the election of delegates from among non-defaulting members to the local union or Central Bank; and

(11) the affiliation of the society to, or the disaffiliation of it from, a local union or a Central Bank.

32. The Panchayat may, at any time, call a general meeting of the society for the conduct of business and shall call such a meeting within one month after receipt of a requisition in writing from 15 or more members, or from the Registrar of Co-operative Societies or from a member of the governing body specially deputed by a resolution of the Union to which the society is affiliated or from a financing bank to which the society is indebted.

33. It shall be the duty of every member to attend the meetings of the general body. The quorum for a general body meeting shall be   or one-fourth of the total number of members on the list at the time whichever is less.

34. The President, when present, shall preside at the meetings of the general body. In his absence the body may choose a chairman from their number to preside at the meeting. Every member present shall have one and only one vote. All questions shall be decided by a majority of votes of the members present and voting. When votes are equal, the chairman of the meeting shall have a casting vote.

35.   days' notice shall ordinarily be given to members before a meeting of the general body is convened.

Notice for a general meeting may be given to members in one or more of the following modes:—

(i) by means of tom tom in the village;

(ii) by affixing a copy of the notice for the meeting in some conspicuous place in the village and in the office of the society;

(iii) by circulation of the notice book and getting signatures of members in it.

If there is any irregularity in the service of notice, it shall not invalidate the proceedings. The general body shall be convened by a resolution of the Panchayat.

36. If a member deceives the society in any way, or if his general conduct is such as to render his removal necessary in the interests of the society, it shall be open to the general body to expel such member. An expelled member shall be paid all moneys due to him from the society, after deducting therefrom any money due from him to the society. A member who compels the society to execute the decrees, decisions or awards obtained against him for recovery of moneys due from him shall for that reason be expelled from the society. An expelled member shall be liable as provided in by-law 3, for the debts due by the society as they stood on the date of his expulsion, for a period of two years after such expulsion.

37. (1) The general body shall have authority to affiliate the society to any co-operative union with suitable jurisdiction that may be registered by the Registrar or that is working in the neighbourhood of the society.

(2) The society shall contribute at the rate of 8 annas on every sum of interest earned by it in the preceding year on every Rs. 100 of loans given to members to a supervision fund which will be lodged with and administered by the Central Bank.

(3) The contribution to the supervision fund shall fall due on the date on which the audit certificate specifying the amount payable is communicated to the society.

Loans.

38. Loans shall be given only to members, but no member can claim a loan as a matter of right. Applications for loans excepting those mentioned below, shall be disposed of by the Panchayat:—

Loans for periods exceeding one year to members of the Panchayat, their near relations (such as undivided co-partner, wife, divided son, son-in-law, dependents and servants) shall not be disbursed except with the approval of the general body.

No loan exceeding Rs. 250 in value shall be disbursed to any member (or to all the members of an undivided joint family) without the previous approval of the financing Central Bank to which the society is affiliated.

39. All applications for loans shall be made to the Secretary in the form, if any, prescribed for the purpose, who shall place them before the Panchayat.

40. Loans shall be given only for useful purposes. The following alone shall be deemed useful purposes:—

(1) the purchase of seed, manure or agricultural implements and other cultivation expenses;

(2) the purchase of cattle and of fodder for the same;

(3) the manufacture or purchase of country carts;

(4) the payment of sirkar or zamin kist;

(5) improvements to land and purchase of land;

(6) the building, buying or repairing of dwelling-houses or cattle-sheds;

(7) advances to artisans for the purchase of implements or raw materials required for their industry;

(8) advances to petty traders for purposes of petty trade;

(9) the payment of petty debts;

(10) the purchase of food-grains and other necessaries of life;

(11) ceremonial expenses not exceeding Rs. ;

(12) educational purposes;

(13)

(14)

NOTE.—When a loan is given for any of the purposes enumerated above, the panchayat may require the borrower to sell through the loan and sale society to which the society is affiliated, the whole of the produce of his next harvest or harvests or at least as much of it as will be sufficient to cover the loan or the loans or the instalments due and to authorize them to appropriate the sale-proceeds towards such loan or loans or the instalments due.

41. Should the Panchayat be of opinion that a loan granted by the society has been misapplied, it shall at once take steps to recover the loan with interest without waiting for the expiry of the period for which it has been granted.

42. No member shall at any time be indebted to the society by way of principal to the extent of more than Rs.   on account of any loan or loans taken by him. Subject to the above maximum, a member shall be eligible for a loan not exceeding Rs.   for each share held by him. Members belonging to an undivided family shall not be given in the aggregate a loan in excess of the amount admissible to single individual member.

43. The interest on loans charged by the society to its members shall not be less than   per cent per annum and not more than   per cent per annum as may be decided upon, from time to time, by the general body of the society with the previous approval of the Central Bank, if the society is affiliated to it.

If, however, the Central Bank requires the society to enhance the rate at any time, the society shall do so and the enhanced rate shall come into force from the date specified by the bank.

Interest shall be calculated on daily balances.

44. Loans shall be secured in one or other following methods:—

(1) On the security of the deposit, if any, to the credit of the borrower, not exceeding 90 per cent of the amount of such deposits;

NOTE.—The amount of a loan granted on the security and within the limits specified in this clause shall not be subject to any of the stipulations to the contrary effect laid down in by-law 42 as to the maximum amount of loan ordinarily admissible to an individual member or to members of an undivided family or as to the limit calculated with reference to the number of shares held by him or them.

(2) on the joint and several responsibility of the borrower and one or two other members standing sureties for him, provided that the total amount for which a member can stand surety shall not exceed Rs.   for each share held by him;

(3) on the mortgage of unencumbered immovable property wholly belonging to the borrower not exceeding 50 per cent of the estimated market value of such property;

(4) on the pledge of Government promissory notes or Government Savings Bank Deposits; or

(5) as a joint loan as described in by-law 53;

(6) Loans may be granted to members on the security of their produce or finished products up to an amount not exceeding 75 per cent of their market value on the date of the grant of the loan. The borrowing member may instead of taking payment of such a loan in one lump, draw it in instalments according to his convenience. Interest will be calculated for the instalment so taken only from the date of the disbursement of each such instalment. The panchayatdars should take immediate possession of the movables so pledged. Wherever possible, the movables pledged should be removed from the premises of the borrower to a place specially provided by the panchayatdars for their safe custody. Where it is not possible to do so, the borrowing member may be entrusted with the property by the panchayat subject to all risks and damages being borne by the member himself, the panchayatdars at the same time securing the property with the lock and the seal of the society. The panchayatdars either individually or in groups or any one authorized by the panchayat in that behalf shall have power to inspect and check the articles so left for safe custody with the borrower himself. The lock and seal of the society shall, however, ordinarily be opened only in the presence of the borrower, or someone on his behalf. The panchayat may obtain at the same time when the pledged property is handed over or subsequently, the consent of the borrower to dispose of it outright. In such cases the panchayat may arrange for a joint sale under by-law 54 (2). There is no objection to the member who has pledged his produce himself arranging for the sale thereof. But unless the loan has been discharged in full before the disposal of the produce, the sale should be effected only through the panchayat.

Such loans on produce need not be limited to the individual member's maximum borrowing power or in accordance with the borrowing limit per share prescribed in the by-laws. In other words a member may be allowed to take a loan not exceeding 75 per cent of the abovesaid movables pledged by him, even though the loan may exceed the borrowing limits fixed for a share or a member.

(7) Loans may be granted to members on the collateral security of their standing crops which will mature for harvest within one month in the manner detailed below. The probable outturn from the standing crop which it is proposed to pledge should be carefully estimated and loans may be granted up to 40 per cent of market value of the outturn as so estimated. A member who wants such a loan

shall execute a bond in favour of the society with one or two sureties as is done in the case of suretyship loans. In addition to this bond, the member and his sureties shall execute an agreement to the effect that—

(i) the sureties are also liable for the loan until it is discharged by the sale of the drain to be harvested;

(ii) their liability will not be affected even if the crops fail either wholly or partially on any account such as scarcity of water, theft, insect pest, grazing of cattle or otherwise.

The borrowing member may instead of taking payment of such a loan in one lump draw it in instalments according to his convenience. Interest will be calculated for the instalments so taken only from the date of the disbursement of each such instalment. After a loan is disbursed to a member under this clause, either in a lump sum or in instalments, the panchayatdars either individually or in groups, or any one authorized by the panchayat in that behalf shall have power to enter the field and inspect the crops thereon or to inspect the produce at the threshing floor. The borrowing member shall render all help necessary for such inspections. As soon as the crop is removed from the field it should be sold and the amount of loan taken from the society repaid to the society at once. If the member is not able to sell the produce as soon as it is harvested he may pledge the grain to the society converting the " standing crop loan " to a " produce pledge loan " under clause (6) supra. The liability of the sureties will cease only after the loan is cleared off either by payment in cash or by the conversion of the " standing crop loan " to a " produce pledge loan."

Such suretyship loans with the collateral security of standing crops need not be limited to the individual member's maximum borrowing limit or in accordance with the borrowing limit per share prescribed in the by-laws. In other words a member may be allowed to take a loan not exceeding 40 per cent of the estimated value of his standing crops fit for harvest within one month even though the loan may exceed the borrowing limits fixed for a share or a member.

45. In granting loans, preference shall be given to loans on the security of the deposits, if any, of the borrower with the society. All other loans shall be paid in the order of their sanction.

46. The amount borrowed may be repaid at the convenience of the borrower, in easy instalments, within the period fixed for the loan, interest after each payment being calculated on the balance of the principal due provided that no partial repayment shall be accepted other than in whole.

47. The period for the payment of each loan shall be fixed by the panchayat according to the purpose of the loan. Loans for current expenses such as for kist, seed, food and cultivation expenses

are called short-term loans. They are repayable within a year. Loans for the purchase of cattle, implements, for sinking wells, erection of buildings, etc., are called intermediate loans and may be repaid in from two to six years. Loans given for the liquidation of prior debts and other non-productive purposes are called long-term loans. The instalments of intermediate and long-term loans should be carefully fixed by the panchayat in proportion to the repaying capacity of the borrower.

The instalments shall be fixed so as to coincide as far as possible with the selling time of agricultural produce or with the time when the borrower is likely to be able to pay. When the period for the repayment of a loan exceeds one year, the instalments shall be clearly specified in the bond with a condition that if an instalment of principal or interest is not paid on the due date and the panchayat does not deem it necessary to grant an extension, the whole amount shall be recoverable at once and the panchayat may at once close the account.

Should, however, a borrower be unable to repay the prescribed instalment of the loan within three months before the due date, the panchayat may, for satisfactory reasons to be recorded in writing and with the approval of the general body and the local union and of the Central Bank to which the society is affiliated, sanction extension for a period of one year. If further extension is for sufficient cause considered absolutely necessary, the panchayat may, with the permission of the general body and the local union to which the society is affiliated and reloan the money on a fresh bond on such terms as may appear equitable. Defaults shall not in any case be permitted for more than three successive months without extension, or closing the account. No extension shall be granted without the general permission of the union to which the society is affiliated and all cases in which they have been granted shall be reported to the Registrar at least once a year.

48. The amount of paid-up share capital, deposit and any other money to the credit of a member or a past member shall be subject to a first charge in favour of the society in respect of any moneys due to the society from such member or past member. The society shall be at liberty to appropriate the whole or any portion of such paid-up share capital or deposit or any other money to the moneys due by the member to the society.

49. (1) When a member from whom money is due pays any sum, it shall be appropriated in the following order:—

Firstly, to fees, fines, postal, registration and other miscellaneous charges due by him;

Secondly, to interest; and

Thirdly, to principal.

(2) All payments by the society to Central Bank shall be credited in the following order:—

(i) To supervision fund.

(ii) To fees, fines, etc.

(iii) To interest due.

(iv) To principal due.

(v) To the reserve fund of the society.

(vi) To share capital instalments due.

(vii) To advance payment of interest.

(viii) To advance repayments of principal.

50. When a loan is cancelled by the panchayat under by-law 41 on account of its misapplication, the loan account shall at once be closed. When an account is so closed or closed under by-law 47, the panchayat shall inform the borrower of the fact and of the amount outstanding against him, including interest up to the date of closing the loan account. Steps shall be taken without delay to recover the amount.

51. When a surety dies or ceases to be a member under by-law 4 or 9 or 36, the principal borrower shall at once inform the society of the fact and either repay immediately the loan due from him with interest up to the date of payment or execute a fresh bond with one or more fresh sureties acceptable to the panchayat. If arrangements are not made to repay the loan within a time to be fixed by the panchayat or if a fresh surety or sureties are not produced or when a member who has borrowed from the society on the mortgage of immovable property borrows elsewhere on the mortgage of the same property or sells the property already mortgaged to the society without the previous sanction of the panchayat, his loan account shall at once be closed without reference to the period for which the loan was given and action taken as laid down in by-law 50.

52. If a member becomes ineligible for membership at any time and his name has on that account to be removed from the list of members under by-law 4 or 9, or should a member be expelled under by-law 36, the loan account, if any, of the member concerned shall at once be closed without reference to the term for which the loan has been granted and action shall be taken to recover from the borrower the amount outstanding against him, including interest up to the date of closing the loan account.

Joint loan for cultivation expenses.

53. On an application in writing (in the form to be prescribed from time to time of five or more members the panchayat may grant a joint loan to the members so applying subject to such rules as may from time to time be framed by the panchayat for the

joint purchase of manure, seed and other agricultural requisites or for incurring jointly or individually other cultivation expenses provided that—

(1) the number of applicants for such a joint loan shall be not less than five nor more than twenty;

(2) each joint borrower shall be required to state in the application—

(*a*) the full description of the field or fields for the cultivation of which the loan is required, viz., its survey number, subdivision number or letter and extent;

(*b*) the quantity of manure, seed or other articles he requires or the amount of cash, if any, he requires for meeting cultivation expenses such as disbursement of hire or wages;

(*c*) the maximum price he is prepared to pay for the seed, manure or other articles required inclusive of incidental expenses, if any;

(*d*) the crop or crops proposed to be raised with the articles or cash supplied;

(*e*) the probable date or dates when he requires the seed or manure or other articles or the cash for cultivation expenses with particulars of such expenses;

(*f*) the probable date or dates of the several agricultural operations in which the articles or cash secured by the joint loan are expected to be utilized; and

(*g*) the probable date or period when the crop will be harvested;

(3) the total amount of any such joint loan shall not be more than Rs. 1,000 or in the case of a loan for the purchase of manure Rs. 5,000;

(4) the due dates and instalments for the repayment of the joint loan shall be fixed with reference to the probable date or dates of the harvest or disposal of the crop proposed to be raised with the loan;

(5) the members applying for the joint loan shall be jointly and severally responsible for any loss resulting from any of the applicants for the joint loan failing to fulfil their engagement and the society as a whole shall not be held responsible for such loss;

(6) the general provisions regarding loans set out in the other by-laws of the society shall apply, as far as possible, to the amount due from each of the members participating in the joint loan, interest running from the date or dates on which the society has actually disbursed the loan to the joint borrowers;

(7) the operations of joint purchase and distribution of the seed, manure or other articles or the disbursement of the cash needed for other cultivation expenses shall be conducted by a sub-committee consisting of a member of the Panchayat of the society, selected by the panchayatdars themselves, and one of the group of members taking the joint loan selected by the joint borrowers themselves;

(8) in the case of difference of opinion between the members of the sub-committee, the decision of the Panchayat shall be final;

(9) it will be open to the sub-committee, after obtaining the sanction of the panchayat, to supplement the joint loan sanctioned by the panchayat with contributions from the borrowing members of the particular group but the society will have a prior lien on the commodity purchased and the produce raised to the extent of the joint loan including the incidental expenses, if any, incurred by the Panchayat;

(10) every joint borrower shall pledge to the society as collateral security the produce to be raised with the help of the loan. Such produce shall not be harvested without the previous permission of the sub-committee referred to in proviso 7 supra. Further the panchayatdars or the members of the sub-committee constituted under proviso 7 supra or the governing body of the union to which the society is affiliated or any one acting in their behalf shall have power to enter upon the field and inspect the crop thereon or to inspect the produce at the threshing floor. The borrowing member shall render all help necessary for such inspections. The borrowing member shall have liberty to discharge the loan by cash payment at any time before the harvest and the collateral lien on the crop will then cease; and

(11) the amount issued as a joint loan under this by-law shall not be subject to the borrowing limit prescribed in by-law 42 for each individual member or per share. In other words a member may participate in a joint loan for agricultural operations under this by-law, in addition to and quite irrespective of the total amount outstanding against him under by-law 42.

Joint loan for purposes other than cultivation expenses.

53A. On an application in writing (in the form to be prescribed from time to time) of five or more members the panchayat may grant a joint loan to the members so applying subject to such rules as may from time to time be framed by the panchayat with a view to supply requirements other than those for agricultural purposes provided that—

(1) the number of applicants for any joint loan shall be not less than five or more than twenty;

(2) the period for which the joint loan runs shall be not more than twelve months;

(3) the total amount of any joint loan shall not be more than Rs. 1,000 and shall be subject to the limitation prescribed in by-law 42 for each individual member or per share;

(4) each joint borrower shall be required to state in the application the kind and quantity of articles he requires and the maximum price he is prepared to pay and shall further bind himself to pay all incidental expenses at a rate to be finally settled by a sub-committee as constituted below;

(5) the members applying for the joint loan shall be jointly and severally responsible for any loss resulting from any of the applicants for the joint loan failing to fulfil his engagement and the society, as a whole, shall not be held responsible for such loss;

(6) the general provisions regarding loans set out in the other by-laws of the society shall apply as far as possible to the amount due from each of the members participating in the joint loan, interest running from the date or dates on which the society has actually disbursed the loan to the joint borrowers;

(7) the operations of purchase and distribution shall be conducted by a sub-committee consisting of a member of the panchayat of the society selected by the panchayatdars and one of the group of members taking the joint loan selected by the joint borrowers themselves;

(8) in the case of difference of opinion between the members of the sub-committee, the decision of the panchayat shall be final;

(9) it will be open to the sub-committee after obtaining the sanction of the panchayat to supplement the joint loan sanctioned by the panchayat with contributions from the borrowing members of the particular group, but the society will have a prior lien on the commodity purchased to the extent of the joint loan and the incidental expenses, if any, incurred by the panchayat.

Joint purchase and sale.

54. (1) The panchayat may purchase wholesale the agricultural, domestic and other requirements of the members; but in making such a purchase it shall act only as the agent of the members and shall accept no liability for any loss occurring in the transaction. Purchase shall be made only to the extent of the requirements of those members who are able to pay in each or to whom the society is able to give a loan for the purpose of payment. Accounts showing these transactions shall be maintained in such forms as the Registrar may prescribe. Subsidiary by-laws may be framed by the panchayat for purposes of these purchases subject to their approval by the Registrar.

(2) It shall be competent to the panchayat to undertake the joint sale of the produce of any of their members at their request, but in undertaking such sales it shall accept no liability for loss and shall act merely as the agent of the members.

Profits.

55. One-half of the net profits, as declared by the Registrar, year after year shall be set apart as a reserve fund. Out of the balance, the general body may sanction to any member for any specific service rendered by him to the society, including work done as secretary or clerk, remuneration not exceeding 20 per cent of the net profits. Seven and a half per cent of the net profits may be carried to the credit of the common good fund to be utilized for any of the purposes mentioned in section 2 of Act VI of 1890 (India) namely, . The balance of the net profits after the credit to the reserve fund and common good fund, if any, has been made, as above provided, may be divided among the members subject to a maximum of $6\frac{1}{4}$ per cent on the paid-up value of each share. If there be any balance left, it shall be added to the reserve fund.

NOTE.—Notwithstanding anything contained in the above by-law, if in any year the overdues under principal against members exceed 75 per cent of the demand, the entire net profits of that year shall be carried to the reserve fund.

56. (1) The reserve fund shall belong to the society as a whole and is intended to meet unforeseen losses. It shall be indivisible and no member shall have any claim to a share in it. It may be drawn upon with the special sanction of the Registrar to meet unforeseen losses.

(2) On the dissolution of the society the reserve fund together with the other funds contributed by the society in accordance with its by-laws, including the common good fund and the dividend equalization fund, shall be applied by the liquidator to the discharge of such liabilities of the society as may remain undischarged out of the assets of the society in the following order, namely—

(*a*) the debts of the society;

(*b*) the paid-up share capital; and

(*c*) the dividend upon paid-up share capital, at a rate not exceeding 6 per cent per annum, for any period or periods, for which no dividend has been paid.

(3) Any surplus funds remaining after the payments mentioned in sub-rule (2) shall be utilized in the following manner and subject to the following conditions, namely—

(i) The surplus funds shall be utilized for such object of public utility within the area in which the dissolved society carried on its operations as may be selected by its general body at a meeting and approved by the Registrar. The funds shall, until they are disbursed for such

object, be kept invested in a financing bank and it shall be the duty of the committee of such bank to see that any amount withdrawn is spent properly and to allow withdrawal of funds in instalments as the work for which they are intended progresses to its satisfaction.

(ii) If within 30 days after the issue of notice by the liquidator appointed to wind up the affairs of the society, the general body fails to make any selection that is approved by the Registrar, the Registrar may place the surplus funds on deposit or otherwise with a financing bank working in the area in which the dissolved society carried on its operations, until a new co-operative society with similar objects is registered in such area, in which case the funds shall be credited to the reserve fund of such society. If, in the opinion of the Registrar, there is no prospect of a new society being formed in such area within a reasonable time, the Registrar shall assign the amount to the Bad Debts Reserve or the Reserve Fund of the financing bank working in such area.

56A. If, however, at any time the general body resolves to split the society into more than one society by excluding a portion of the existing area of operations from the operations of the society and a new society or societies be registered to cover the area so excluded, a portion of the reserve fund shall be transferred to the society or societies as decided upon by the general body which resolves upon the splitting of the original society.

Miscellaneous.

57. No amendment to, alteration in, or cancellation of, a by-law nor the enactment of a new by-law shall be made except at a general meeting of the members or shall take effect until it shall have been approved by the Registrar.

58. Should any doubt arise as to the construction of the Act or any by-law, the panchayat shall refer the same to the Registrar of Co-operative Societies for advice and act according to his advice.

59. The society shall prepare annually in such form as may be prescribed by the Registrar (*a*) a statement showing the receipts and disbursements for the year, (*b*) a profit and loss account, (*c*) a balance sheet, and (*d*) such other statements as may be prescribed by the Registrar.

These statements shall be made up to 30th June and a copy of each shall be sent to the Registrar within fifteen days after the close of the co-operative year ending 30th June. After the Registrar has verified the statements and granted his audit certificate, the society shall publish such of the prescribed statements as he may direct in the manner prescribed by him.

60. If any dispute touching the business of the society (other than a dispute regarding disciplinary action taken by the society or its committee against a paid servant of the society) arise—

(*a*) among members, past members and persons claiming through members and deceased members, or

(*b*) between a member, past member or person claiming through a member, past member or deceased member and the society, its committee or any officer, agent or servant of the society, or

(*c*) between the society or its committee and any past committee, any officer, agent or past servant or the nominee heirs or legal representatives of any deceased officer, deceased agent or deceased servant of the society, or

(*d*) between the society and any other registered society,

such dispute shall be referred to the Registrar for decision.

The Registrar may, on receipt of such reference—

(i) decide the dispute himself, or

(ii) transfer it for disposal to any person who has been invested by the Local Government with powers in that behalf, or

(iii) refer it for disposal to an arbitrator or arbitrators.

The decision or award of the Registrar or the person to whom the reference was transferred or by the arbitrator or arbitrators to whom it was referred shall be final, subject to the provisions of sub-section (5) of section 51 of the Co-operative Societies Act and it may be enforced in any one of these ways:—

(*a*) by an application made to the Collector of the district through the Registrar of Co-operative Societies requesting that the amount due under the decision or award may be recovered in the same manner as arrears of land revenue;

(*b*) by an application to the Civil Court having jurisdiction over the subject matter of the decision or award requesting that the Court may enforce the decision or award as if it were a decree of the Court;

(*c*) by an application to the Registrar of the district in which the cause of action arose, that the decision or award be enforced as provided in Rule XXII of the rules framed under the Madras Co-operative Societies Act.

61. If any sum belonging to the society is either stolen or otherwise lost and found irrecoverable or if any loan due to the society is found otherwise irrecoverable either wholly or in part, it shall be open to the general body to write off such amount after obtaining the sanction of the union and of the Central Bank to which the society is affiliated or of the Registrar and of the Central Bank, if it is not affiliated to any union.

62. (1) Notwithstanding anything contained in the by-laws of the society as to the mode of summoning general meetings and the object, time and place of such meetings, the Registrar or any person

authorized by the Registrar to make inquiries under section 35 of the Act in that behalf may—

(*a*) summon at any time a special general meeting of the society with 24 hours' notice in such manner and such time and place as he may direct; and

(*b*) specify what matters shall be discussed by the meeting.

Such meeting shall have all the powers of a meeting called according to the by-laws of the society, provided that any resolution passed at such meeting shall have the full force of a resolution of the general body of the society notwithstanding the fact that there may be present less than the quorum prescribed under by-law 33, provided that the Registrar is satisfied for reasons to be recorded by him in writing—

(i) that it was impossible for the society to secure the attendance of a quorum;

(ii) that the resolution is for the good of the society; and

(iii) that the resolution is likely to meet with the approval of the general body of the members.

(2) (*a*) It shall be open to the general body to place the management of the society in the hands of a single person who may be either a member or non-member. The appointment shall, however, be subject to the approval of the Central Bank in case the society is indebted to it and of the Registrar in case it is not indebted to the Central Bank. The person so appointed shall have all the powers of the panchayat under the by-laws. In the matter of collecting loans, filing of arbitration references and applications for execution of awards, he shall act on his own responsibility in accordance with the by-laws. But he shall purchase lands or sell lands only with the previous approval of the Central Bank. He shall, however, obtain the previous approval of the general body in the following matters:—

(1) Admission of members;

(2) allotment of shares to members;

(3) refund of share capital to members either by adjustment or in cash;

(4) borrowing money;

(5) grant of loans to members;

(*b*) The general body may, subject to the approval of the Central Bank or Registrar as the case may be, pay to the manager such remuneration as it deems fit for his services. The manager shall convene a meeting of the general body before the expiry of the period for which he is appointed and get a panchayat elected in accordance with the by-laws. If for any reason a panchayat cannot be elected before the expiry of the period of his appointment, he shall continue to be in charge of the management of the society till a panchayat is elected under the by-laws.

63. Any amount due by the society and not claimed within the period of limitation allowed by the Indian Limitation Act shall be added to the Reserve Fund of the society.

BY-LAWS OF THE CO-OPERATIVE SOCIETY, No.

Name, constitution and address.

The Co-operative Society, No. is registered as a Co-operative Society under Act VI of 1932 (Madras). Its address shall be village, post, in the taluk of in the district. Its operations shall be confined to . Loans may, however, be granted to members on the security of their immovable property situate in

Objects.

2. The objects of the society shall be—

(1) to borrow funds from members or others to be utilized for loans to members for useful purposes;

(2) to act as the agent for the joint purchase of the agricultural, domestic and other requirements of its members and for the joint sale of their produce and the products of their industry and also with the general or special sanction of the Registrar to purchase the necessaries of life and retail them to its members;

(3) to purchase and own houses and lands for house building, to level and prepare the same and sell them to its members;

(4) to purchase and own implements, machinery or animals for hire to its members;

(5) to disseminate a knowledge of the latest improvements in agriculture, handicrafts and weaving and encourage its members to adopt them;

(6) to take dharkast lands and sub-divide among members; and

(7) generally to encourage thrift, self-help and co-operation among the members.

Membership.

3. All the members shall on the liquidation of the society be jointly and severally liable for and in respect of all its obligations.

4. The capital of the society shall for the present be Rs. made up of shares of Rs. 5 each. The value of each share shall be paid in one lump sum on allotment or in instalments. When paid in instalments, annas 2 shall be paid at the time of taking the share and the balance in 39 months commencing from the month subsequent to that in which the

share was taken; the monthly instalment shall be paid on or before the 15th day of the month to which it relates. The month in this by-law means the British calendar month. A member who has elected to pay the share value in instalments may pay the whole or any portion of the balance at any stage in advance. If the payment is not made on the due date, a fine of one pie per mensem for every eight annas or fraction thereof shall be levied and the defaulter will be debarred from exercising the privileges of membership.

5. (*a*) Any person over eighteen years of age who is competent to contract residing within the limits referred to in the third sentence of by-law 1 shall be eligible for admission as a member but no person can claim admission as a matter of right.

No person who is already a member of another co-operative credit society, whether limited or unlimited except a Land Mortgage Bank shall be admitted as or be a member of this society.

(*b*) No member who has been expelled by the society or by any other society shall be eligible for re-admission as a member of the society for a period of two years from the date of such expulsion provided that the Registrar may, in special circumstances, sanction the re-admission of any such member within the said period as a member of the society.

(*c*) No person shall be eligible for admission as a member of the society if he is an applicant to be adjudicated a bankrupt or an insolvent or is an uncertified bankrupt or an undischarged insolvent.

Any member of the society who applies to be adjudicated a bankrupt or an insolvent shall cease to be a member of the society.

6. Applications for admission as members and for allotment of shares shall be made to the Secretary in the form, if any, prescribed by the society for the purpose. Every such application shall be disposed of by the panchayat who shall have power to grant admission or to refuse it without assigning reasons.

7. Every member shall take at least one share, but no member shall take more than 10 shares. Every member shall pay an entrance fee of two annas for each share taken by him at the time of taking the share.

8. (*a*) No member shall be permitted to withdraw any of the shares held by him in the society within 19 years after the date when such shares were taken by him. But a member may withdraw shares with the consent of the panchayat after such period, provided, firstly that there is no balance outstanding against the society out of the loans, if any, borrowed by it from Government under by-law 18, secondly, that he has given at least six months' notice of withdrawal, thirdly, that there are no debts due from him to the society and fourthly, that there are no debts due to the society in regard to which he has stood surety. When a member

withdraws shares under this by-law, he shall be paid back the share capital actually paid by him with the dividend declared, if any.

(*b*) In case the society has no Government loan outstanding, a member may withdraw shares after five years subject to the conditions prescribed in by-law 8 (*a*).

9. Should a member cease to be eligible for membership either on account of the removal of his residence from the limits precribed in by-law 1 or for any other cause, the society shall remove his name from the list of members and shall pay back within a reasonable period to such member the share capital actually paid by him with the dividend declared, if any, after deducting therefrom the moneys, if any, due from him to the society either as principal debtor or as surety.

10. (1) If a member dies, his membership shall *ipso facto* cease.

(2) (*a*) Every member of the society may nominate any person to succeed, in the event of his death, to his share or interest in the society. Such nomination shall, in the event of his death, be given effect to by the society provided,

(i) the nomination was signed by the deceased in the presence of at least two witnesses attesting the same;
(ii) the nomination has been registered in the books of the society kept for the purpose; and
(iii) the person nominated shall have been admitted by the panchayat as a member of the society under by-law 6.

(*b*) In the event of there being no person nominated by the deceased member in accordance with clause (*a*) of this by-law, the share or interest of the deceased may be transferred to such person as may appear to the panchayat to be the heir or legal representative of the deceased member provided such heir or legal representative has been admitted by the panchayat as a member of the society under by-law 6.

(*c*) The nominee of a deceased member, and if no person has been nominated, such persons as may appear to the panchayat to be the heir or legal representative of the deceased, may require payment of the share or interest of the deceased member and on such request the society shall pay to the nominee, heir, or legal representative as the case may be, a sum representing the deceased member's share or interest at the time of his death, ascertained in accordance with the by-laws of the society.

(3) Subject as aforesaid, the society may pay all other moneys due to the deceased member from the society, to the person nominated by him in accordance with clause (2) (*a*) of this by-law or to such person as may appear to the committee to be the heir or legal representative of the deceased member, as the case may be.

11. (1 A past member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date when he ceased to be a member, for a period of two years from such date.

(2) The estate of a deceased member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date of his decease, for a period of two years after his decease.

12. No member shall be permitted to transfer any share or shares held by him to another.

13. With the sanction of the panchayat a member may, at any time, increase the number of shares held by him so as not to exceed the limit of 10 shares laid down in by-law 7. But no member shall be permitted to reduce the number of shares held by him within 19 years after the date when such shares were taken by him.

Deposits.

14. Deposits may, at the discretion of the panchayat, be received at any time from members or non-members.

15. Deposits from members shall be given preference to deposits from non-members.

16. There shall be four classes of deposits A.—Fixed, B.—Recurring, C.—Homesafe, and D.—Chit funds.

A.—Fixed deposits.

(i) A fixed deposit is a deposit of a fixed amount of money for a fixed period of time. No fixed deposit shall be received for a sum less than Rs. 5 or an exact multiple thereof, or for a period less than six months.

(ii) Interest shall ordinarily be calculated on fixed deposits at a rate not exceeding per cent per annum. Should a fixed deposit from a member or from a co-operative society be made for a period of not less than one year, the deposit being not less than Rs. 20, interest may be paid thereon at a rate not exceeding per cent per annum. Interest on fixed deposits shall be paid yearly or at such shorter intervals as may have been agreed upon at the time of deposit.

(iii) The interest on a fixed deposit shall cease on the expiry of the period for which the deposit was made, unless notice in writing of the intention to renew the deposit for a further period of not less than six months has been received in the office of the society before the expiry of the original period. The society is not, however, bound to renew a fixed deposit after the expiry of the period for which it was made, but in case of such refusal interest shall be payable at the former rate until the date of such refusal.

B.—Recurring deposits.

A recurring deposit is a deposit made by a person who undertakes to pay to the society every month a fixed amount of one rupee or a multiple or a sub-multiple thereof for a period of 12, 24, 45, 84 or 132 months. A depositor paying one rupee per mensem for a period of 12, 24, 45, 84 or 132 months shall, before the close of the 14th, 26th, 47th, 86th and 134th month, receive a sum of Rs. 12–6–8, Rs. 25–8–0, Rs. 50, Rs. 102–8–0 or Rs. 180–8–0, respectively as the case may be, out of which the sum of Rs. 12, 24, 45, 84, or 132 shall be debited in the accounts as repayment of principal and the balance as interest thereon. Every recurring depositor shall pay his monthly deposit before the end of the calendar month to which it relates, failing which he shall be charged a fine of two pies per rupee per month or fraction thereof on every rupee overdue. Should a recurring depositor be in arrears to the extent of a sum equivalent to or more than four monthly instalments, his deposit account shall at once be closed and he shall be paid back the amount actually paid by him, it being open to the society to credit the whole or part of such amount towards any moneys due from the depositor to the society. In such a case any fine imposed under this by-law shall be remitted. It shall be competent to a recurring depositor with the consent of the panchayat to alter the nature of his recurring deposit to any of the categories of such deposits prescribed in this by-law.

C.—Homesafe.

Every member will be supplied with a homesafe in which he should deposit at his convenience all amounts that he can spare from time to time and pay the contents thereof into the society at least once every month. Amounts so paid will be credited in the first instance, partly or wholly towards any moneys due from the member to the society, and the balance if any, will be credited to his account as a deposit called "Homesafe deposit." Amounts paid to the credit of a homesafe deposit account by the fourth day of the month shall carry interest from the beginning of that month. Amounts paid after that date shall carry interest only from the beginning of next month. Interest shall be calculated at the rate of   of a pie per rupee per month and added to the principal on the 1st July every year. The total amount together with the interest accrued will be payable to the depositor on a notice of one month. No interest shall at any time be allowed on fractions of a rupee. Every homesafe depositor will be supplied with a pass book free of charge and with a homesafe at a cost of one anna. No transactions of any kind shall be effected in a homesafe deposit account without the production of the pass book and the homesafe. A lost or spoilt pass book or homesafe will be replaced by another on payment of one anna each. The safe shall be opened by the President or the Secretary in the presence of the depositor or his agent who produces it for the purpose

of crediting the contents thereof to the depositor's account. The depositor shall at the time of obtaining payment of the amount to his credit return the pass book to the society. Should a home-safe depositor fail to use the safe for a continued period of four months, his deposit account may at once be closed and he shall be paid back the amounts actually paid by him, his pass book being obtained back from him. It shall be open to the society to credit the whole or part of such amount towards any moneys due from the depositor to the society.

D.—Chit funds.

On an application of ten or more members, the panchayat may start and conduct chit funds to secure savings and frame rules for that purpose subject to the following conditions:—

(*a*) the number of members of a single chit fund shall be not less than 10 and not more than 24;

(*b*) the total amount of any chit fund shall not be more than Rs. 480;

(*c*) the period during which a chit is to run shall be not less than 10 and not more than 24 months;

(*d*) every chit member must subscribe for at least one share, but no member can take more than three shares;

(*e*) the method of disposal of a chit amount shall be the auction system under which the pool or amount subscribed by all the members is knocked down to the member who bids the highest discount as consideration for drawing the pool. When there is no bid, the collection less $4\frac{1}{2}$ per cent shall be lent to the member selected by casting lots among all the members who have not already had loans under the system or when two or more members bid the same discount, selection by casting lots shall be made among them;

(*f*) the discount in disposing of any chit fund shall be not less than $4\frac{1}{2}$ per cent and not more than 9 per cent;

(*g*) the members applying for the starting of a chit shall be jointly and severally responsible for any loss arising by any member or members of the chit failing to fulfil their engagements and the society as a whole shall not be responsible for such loss;

(*h*) the panchayat shall have full discretion in the matter of obtaining security from members to whom the chit amount is allotted;

(*i*) out of the discount or interest collected, one anna in the rupee shall be appropriated by the society towards the cost of establishment, the remainder being distributed among the members of the chit fund in the proportion of their shares; and

(*j*) any sums due to the society by members who are also subscribers to a chit fund may, at the discretion of the panchayat, be deducted from the chit amount or discount or interest when it falls to them.

Other borrowings.

17. It shall be competent to the panchayat to borrow funds otherwise than by way of deposits either from the Government or from members, or from persons other than members, or from institutions registered under the Co-operative Societies Act provided that the interest payable on the borrowed amount shall not, in any case, exceed   per cent per annum and provided also that the panchayat shall not receive any such loan unless it shall have been sanctioned by the governing body of the union to which the society is affiliated.

17A. The society is bound to pay interest to the Government on the cost of acquisition and other incidental charges for land acquired under the Land Acquisition Act, from the date of award.

18. The total borrowings of the society shall not exceed the following limits:—

(1) In the case of loan taken from Government to pay the value of the house-sites acquired the borrowing limit shall not at any time exceed 75 per cent of the value of the land and houses owned by the society in its own name and shall not also exceed six and two-third times the paid-up share capital of the members who have taken loans for the purpose of purchasing house-sites;

(2) in the case of loans taken from Government for the construction of houses the borrowing limits shall not exceed six times the paid-up share capital of the members who have taken loans for this purpose and who have discharged the loans taken for purchasing house-sites and who have not encumbered their shares by taking any loans for other purposes; and

(3) in the case of borrowings by way of deposits or otherwise from members or others, for purposes other than those mentioned in items (1) and (2) the borrowing limit shall not at any time exceed four times the balance of paid-up share capital after setting apart for borrowings under items (1) and (2) and reserve fund of the society.

Management.

19. Subject to such resolutions as the general body may from time to time pass, the executive management of the affairs of the society shall vest in a panchayat. The panchayat shall consist of not more than five members.

20. The members of the panchayat shall be elected by the general body for a period of one year from among the members. Members of the panchayat shall continue in office after the expiry of their term of office, until by election another panchayat is constituted. A retiring member of the panchayat shall be eligible for re-election. After the panchayat is elected by the general

body, they shall elect from among themselves a president and a secretary. Interim vacancies on the panchayat shall be filled by election by the general body. Any member or members of the panchayat may at any time be removed by a resolution of the general body.

21. The panchayat shall meet once a fortnight or oftener, if necessary, to conduct the affairs of the society. No decision of the panchayat shall be valid unless it is passed by at least three members. All questions before the panchayat shall be decided by a majority of votes. Should there be an equality of votes, the president or other presiding member shall have a casting vote.

22. Should a member of the panchayat absent himself from four consecutive meetings of the panchayat, he shall cease to be a member of the panchayat but may be reinstated by the panchayat.

23. Subject to such resolutions as the panchayat may from time to time pass the several officers of the society shall have the powers mentioned below:—

(*a*) The President shall have a general control over all the affairs of the society and shall ex-officio be the Treasurer and shall have the custody of all the properties of the society. He shall also have powers to appoint the members of the establishment as well as to fine, suspend or dismiss them subject in the last two cases to the approval of the panchayat.

(*b*) The Secretary shall be responsible for the executive administration of the society subject to the control of the President.

(*c*) The President shall be the officer to sue or be sued on behalf of the society and all bonds in favour of the society shall be in the name of the President.

24. No member who at the time is in default to the society in respect of any loan or loans taken by him shall be elected as a panchayatdar of the society or to represent the society in another society and vote. Any member of the society who has been appointed as a panchayatdar of the society or to the committee of another society or to represent the society in another society and vote, shall cease to hold his appointment as such, if he is in default to the society for a period of three months.

25. Receipts shall be issued for all moneys paid to the society. For moneys paid by members the receipt shall be signed by the President or the Secretary whoever is elected by the panchayat to discharge this function. In the case of borrowings from non-members or from other societies, the receipt or bond shall be executed by at least two members of the panchayat of whom the Secretary or the President shall be one.

26. It shall be the duty of the panchayat to maintain such accounts and registers as are prescribed by rule V of the rules under the Act and by the Registrar from time to time, to place before a general body meeting of the members, the Registrar's notes of audit or inspection within one month from the date of receipt, to correspond with the Registrar and to do all other business relating to the society.

27. The panchayat shall have power to prescribe from time to time the scale of office establishment and to incur such expenditure as may be necessary for the management of the society with reference to the scale and within the budget allotment sanctioned by the general body for each year.

28. The panchayat shall be competent to fix the amount and nature of the security, if any, to be given by the office establishment.

29. It shall be competent for the panchayat to frame subsidiary by-laws for the conduct of the business of the society consistent with the Act, the rules under the Act, and these by-laws. Such subsidiary by-laws shall be entered in the minute book of the society and they shall take effect only after the approval of the Registrar of Co-operative Societies.

30. The panchayat shall work gratuitously. The general body may, however, sanction payment to any panchayatdar for clerical work done by him at a rate not exceeding 12 annas per Rs. 100 of the loans outstanding against members on the last day of the previous co-operative year. The panchayat may debit to the society any expenses actually incurred by them in doing the work of the society in the manner indicated below:—

(1) Postal charges for remittances, etc., supported by proper vouchers,
(2) travelling allowance of members or panchayatdars to attend local union meetings or meetings of a district banking union with reference to the rates sanctioned by the general body if such travelling allowance is not paid to such members directly by the unions concerned,
(3) contributions to union expenditure within the limits sanctioned by the general body for each year or on any special occasion,
(4) establishment charges of a permanent or temporary character sanctioned by the general body,
(5) house-rent, furniture, cost of stationery, and other defined charges within the annual budget allotment sanctioned for each year by the general body, and
(6) any other item of expenditure under contingencies not exceeding rupee one.

The panchayat shall not incur any other item of expenditure than those specified above without the previous sanction of the general body of the society.

General body.

31. The ultimate authority in all matters relating to the administration of the society shall be the general body of the members who shall meet from time to time and at least once a year to conduct the work of the society. The following among other matters shall be dealt with by the general body:—

(1) the election and removal of the panchayatdars;

(2) the annual report due to the Registrar of Co-operative Societies;

(3) the Registrar's annual audit certificate;

(4) the amendment or repeal of any existing by-law or the enactment of a new by-law;

(5) the expulsion of a member;

(6) the consideration of any complaint which any individual member may prefer against the panchayat;

(7) the returns that may be prescribed by the Local Government;

(8) the grant of loans to the members of the panchayat and to their relations and dependants;

(9) the fixing of the maximum liability to be incurred by the society during each year with reference to the revised property statement of its members;

(10) the election of delegates to the local or district banking union; and

(11) the affiliation of the society to, or the disaffiliation of it from a local union or a district banking union.

32. The panchayat may, at any time, call a general meeting of the society for the conduct of business and shall call such a meeting within one month after receipt of a requisition in writing from 15 or more members, or from the Registrar of Co-operative Societies or from a member of the governing body specially deputed by a resolution of the union to which the society is affiliated or from a financing bank to which the society is indebted.

33. It shall be the duty of every member to attend the meetings of the general body. The *quorum* for a general body meeting shall be or one-fourth of the total number of members on the list at the time, whichever is less.

34. The President, when present, shall preside at the meetings of the general body. In his absence the body may choose a chairman from their number to preside at the meeting. Every member present shall have one and only one vote. All questions shall be decided by a majority of votes of the members present and voting. When votes are equal, the chairman of the meeting shall have a casting vote.

35. Twenty-four hours' notice shall ordinarily be given to members before a meeting of the general body is convened.

Notice for a general meeting may be given to members in one or more of the following modes:—

(i) by means of tom-tom in the village;
(ii) by affixing a copy of the notice for the meeting in some conspicuous place in the village and in the office of the society; and
(iii) by circulation of the notice book and getting signatures of members in it.

If there is any irregularity in the service of notice, it shall not invalidate the proceedings. The general body shall be convened by a resolution of the panchayat.

36. If a member deceives the society in any way, or if his general conduct is such as to render his removal necessary in the interests of the society, it shall be open to the general body to expel such member. An expelled member shall be paid all moneys due to him from the society, after deducting therefrom any moneys due from him to the society. A member who compels the society to execute the decrees, decisions, or awards against him for recovery of moneys due from him shall, for that reason, be expelled from the society. An expelled member shall be liable, as provided in by-law 3, for the debts due by the society as they stood on the date of his expulsion, for a period of two years after such expulsion.

Loans.

37. Loans shall be given only to members, but no member can claim a loan as a matter of right. Applications for loans excepting those mentioned below, shall be disposed of by the panchayat.

Loans for periods exceeding one year to members of the panchayat, their near relations (such as undivided co-parcener, wife, divided son, son-in-law, dependants and servants) shall not be disbursed except with the approval of the general body.

38. All applications for loans shall be made to the Secretary in the form, if any, prescribed for the purpose who shall place them before the panchayat.

39. Loans shall be given only for useful purposes. The following alone shall be deemed useful purposes:—

(1) The purchase of seed, manure or agricultural implements and other cultivation expenses;
(2) the purchase of cattle and of fodder for the same;
(3) the manufacture or purchase of country carts:
(4) the payment of sirkar or zamin kist;
(5) improvements to land and purchase of land;
(6) the building, buying or repairing of dwelling houses or cattle-sheds;

(7) advances to artizans for the purchase of implements or raw materials required for their industry;

(8) advances to petty traders for purposes of petty trade;

(9) the payment of petty debts;

(10) the purchase of food-grains and other necessaries of life;

(11) ceremonial expenses not exceeding Rs. ;

(12) educational purposes;

(13) repairs to wells and ponds used for drinking water;

(14) undertaking subsidiary occupations such as cultivation of figs, grapevine, cashewnut, and fruits and duck farming;

(15) ; and

(16) .

40. Should the panchayat be of opinion that a loan granted by the society has been misapplied, it shall at once take steps to recover the loan with interest without waiting for the expiry of the period for which it has been granted.

41. No member shall at any time be indebted to the society by way of principal to the extent of more than Rs. on account of any loan or loans taken by him. Subject to the above maximum, a member shall be eligible for loan not exceeding Rs. 25 for each share held by him. Members belonging to an undivided family shall not be given in the aggregate a loan in excess of the amount admissible to a single individual member.

42. Interest on loans granted by the society shall for the present be charged at 2 pies per rupee per mensem, the first month being reckoned from the date on which the loan is paid to the corresponding date of the next. Panchayatdars should collect interest monthly. Interest shall be collected on daily balances of principal.

43. Loans shall be secured in one or other of the following methods:—

(1) On the security of the deposit, if any, to the credit of the borrower, not exceeding 90 per cent of the amount of such deposits;

NOTE.—The amount of a loan granted on the security and within the limit specified in this clause shall not be subject to any of the stipulations to the contrary effect laid down in by-law 42 as to the maximum amount of loan ordinarily admissible to an individual member or to members of an undivided family or as to the limit calculated with reference to the number of shares held by him or them.

(2) on the joint and several responsibility of the borrower and one or two other members standing sureties for him, provided that the total amount for which a member can stand surety shall not exceed Rs. 50 for each share held by him;

(3) on the mortgage of unencumbered immovable property wholly belonging to the borrower not exceeding 50 per cent of the estimated market value of such property;

(4) on the pledge of Government promissory notes or Government Savings Bank deposits; or

(5) as a joint loan as described in by-law 53.

44. In granting loans, preference shall be given to loans on the security of the deposits, if any, of the borrower with the society. All other loans shall be paid in the order of their sanction.

45. The amount borrowed may be repaid at the convenience of the borrower, in easy instalments, within the period fixed for the loan, interest after each payment being calculated on the balance of the principal due.

46. The period for the payment of each loan shall be fixed by the panchayat according to the purpose of the loan. Loans for current expenses, such as payment of kist, for seed, food and cultivation expenses, shall be called 'short-term' loans and shall be repaid from the proceeds of the next harvest. Loans given for the liquidation of prior debts, for house-building, for the purchase of cattle or carts and for other purposes which will continue to be productive for several years, such as sinking of wells and purchase of land, shall be called 'long-term' loans and may be repaid in two to ten years in instalments which should be carefully fixed by the panchayat strictly in proportion to the repaying capacity of the borrower. The instalments shall be fixed so as to coincide as far as possible with the selling time of agricultural produce or with the time when the borrower is likely to be able to pay. When the period for the repayment of a loan exceeds one year, the instalments shall be clearly specified in the bond with a condition that if an instalment of principal or interest is not paid on the due date and the panchayat does not deem it necessary to grant an extension, the whole amount shall be recoverable at once and the panchayat may at once close the account.

Should, however, a borrower be unable to repay the prescribed instalment of the loan within three months beyond the due date, the panchayat may, for satisfactory reasons to be recorded in writing and with the approval of the general body and the local union to which the society is affiliated, sanction extension for a period of one year. If further extension is for sufficient cause considered absolutely necessary, the panchayat may, with the permission of the general body and the local union to which the society is affiliated, show a repayment of the loan by book adjustment and reloan the money on a fresh bond on such terms as may appear equitable. Defaults shall not in any case be permitted for more than three successive months without extension, renewal or closing the account. No extension or renewal shall be granted

without the general permission of the Registrar and all cases in which they have been granted shall be reported to the Registrar at least once a year.

47. The amount of paid-up share capital, deposit and any other moneys to the credit of a member or a past member shall be subject to a first charge in favour of the society in respect of any moneys due to the society from such member or past member. The society shall be at liberty to appropriate the whole or any portion of such paid-up share capital or deposit or any other money to the moneys due by the member to the society.

48. (1) When a member from whom money is due pays any sum, it shall be appropriated in the following order:—

Firstly, to fees, fines, postal, registration and other miscellaneous charges due by him;

secondly, to interest; and

thirdly, to principal.

(2) All payments by the society to the Central Bank shall be credited in the following order:—

(i) to fees, fines, etc.;

(ii) to interest due;

(iii) to principal due;

(iv) to the reserve fund of the society;

(v) to the share capital instalments due;

(vi) to advance payment of interest; and

(vii) to advance repayments of principal.

49. When a loan is cancelled by the panchayat under by-law 41 on account of its misapplication, the loan account shall at once be closed. When an account is so closed or closed under by-law 47, the panchayat shall inform the borrower of the fact and of the amount outstanding against him including interest up to the date of closing the loan account.

50. When a surety dies or ceases to be a member under by-law 4 or 9 or 36, the principal borrower shall at once inform the society of the fact and either repay immediately the loan due from him with interest up to the date of payment or execute a fresh bond with one or more fresh sureties acceptable to the panchayat. If arrangements are not made to repay the loan within a time to be fixed by the panchayat or if a fresh surety or sureties are not produced, or when a member who has borrowed from the society on the mortgage of immovable property borrows elsewhere on the mortgage of the same property or sells the property already mortgaged to the society without the previous sanction of the panchayat, his loan account shall at once be closed without reference to the period for which the loan was given and action taken as laid down in by-law 50.

51. If a member becomes ineligible for membership at any time and his name has on that account to be removed from the list of members under by-law 4 or 9 or should a member be expelled under by-law 36, the loan account, if any, of the member concerned shall at once be closed without reference to the term for which the loan has been granted and action shall be taken to recover from the borrower the amount outstanding against him, including interest up to the date of closing the loan account.

Joint loan.

52. On an application in writing (in the form to be prescribed from time to time) of five or more members the panchayat may grant a joint loan to the members so applying subject to such rules as may from time to time be framed by the panchayat with a view to supply manure, seed and other agricultural, domestic and other requisites, provided that—

(1) the number of members of any joint loan be not less than five or more than twenty;

(2) the period for which the joint loan runs be not more than fifteen months;

(3) the total amount of any joint loan be not more than Rs. 1,000 or in the case of a loan for the purchase of manure Rs. 2,000, but shall not exceed Rs. 50 per share of the members who apply;

(4) each joint borrower shall be required to state in the application the quantity of manure, seed or other articles he requires and the maximum price he is prepared to pay and shall further bind himself to pay all incidental expenses at a rate to be finally settled by a sub-committee as constituted below;

(5) the members applying for the joint loan be jointly and severally responsible for any loss arising by any of the members of the joint loan failing to fulfil their engagement and the society, as a whole, shall not be held responsible for such loss;

(6) the general provisions regarding loans set out thereafter shall apply as far as possible to the moneys due from each of the members subscribing to the joint loan, interest running from the month in which the society has to borrow to meet the joint application;

(7) the operations of purchase and distribution shall be conducted by a sub-committee consisting of a member of the panchayat to be elected by the members thereof and one of the members subscribing to the joint loan to be elected by the subscribers;

(8) in the case of difference of opinion between the members of the sub-committee, the decision of the panchayat shall be final; and

(9) it will be open to the sub-committee after obtaining the sanction of the panchayat to supplement the joint loan sanctioned by the panchayat with contributions from the subscribing members, but the society will have a prior lien on the commodity purchased to the extent of the joint loan and incidental expenses, if any, incurred by the panchayat.

Joint purchase and sale.

53. (1) The panchayat may purchase wholesale the agricultural, domestic and other requirements of the members; but in making such a purchase it shall act only as the agent of the members and shall accept no liability for any loss occurring in the transaction. Purchase shall be made only to the extent of the requirements of those members who are able to pay in cash or to whom the society is able to give a loan for the purpose of payment. Accounts showing these transactions shall be maintained in such forms as the Registrar may prescribe. Subsidiary by-laws may be framed by the panchayat for purposes of these purchases subject to their approval by the Registrar.

(2) It shall be competent to the panchayat to undertake the joint sale of the produce of any of their members at their request but, in undertaking such sales, it shall accept no liability for loss and shall act merely as the agent of the members.

Trade.

54. The society shall carry on such wholesale and retail trade as may from time to time be decided upon by the panchayat provided however that no new trade shall at any time be undertaken by the society except with the previous sanction of the Registrar.

55. All transactions by way of purchase or of sale shall be strictly on the ready-money system except as provided in by-law 57 and sales shall be confined to members only.

56. The panchayat may, subject to the sanction of the Registrar and subject to such conditions as he may impose from time to time, empower the Secretary to buy from and sell to any co-operative society registered under India Act X of 1904 or II of 1912 or Act VI of 1932 (Madras) on the ready-money system such commodity or commodities as they may specify.

57. At the end of each quarter a stock shall be taken by the panchayat.

House-sites.

58. Under the guidance of the Commissioner of Labour or any other officer that may be appointed by Government for this purpose the society may—

(1) purchase lands or houses either from Government or otherwise;

(2) render the lands so acquired fit for habitation raising the level thereof where necessary;

(3) parcel out the lands for house-sites in accordance with the requirements of each member after laying out streets, roads, etc.;

(4) to determine the value of each such plot allotted to members;

(5) put the member in possession of the plots or houses provided that he has invested as share capital a sum not less than 15 per cent of the value of the land or house and has executed an agreement binding himself to the conditions set forth in the form appended; and

(6) enforce the terms of the agreement and execute a conveyance in favour of the member when he has satisfied the conditions prescribed in clause (8) of the agreement appended below.

59. Loans for building houses may be given to members on the following conditions:—

(1) No member shall receive a loan under this by-law who has not repaid in full the value of the house-site which the society has acquired on his behalf and has agreed to sell it to him after the expiry of nineteen years from the date of the agreement entered into with him.

(2) No loan shall be given except to build a new dwelling house and that on a site put in possession under by-law 59.

(3) No loan shall be given for the construction of thatched buildings. The plans of the houses to be constructed shall have the previous approval of the Commissioner of Labour or any other officer authorized by him for this purpose.

(4) No member shall receive a loan exceeding six times the share capital actually paid by him and on the strength of which he has not taken any other loan.

(5) Interest on loans granted under this by-law shall for the present be charged at * pies per rupee per mensem.

NOTE.—The rate should not ordinarily exceed 9⅜ per cent per annum. But when penal interest is charged for overdue interest included the rate shall not exceed 12½ per cent per annum.

(6) The period of repayment of a loan taken under this by-law shall in no case exceed twenty years. This period excludes the time taken for completing the construction of the building as fixed in clause (11) below. A loan may be repaid in annual instalments either by the equated or by equal instalment system.

* Not to be incorporated in the by-law.

(7) The loan given for the construction of a house shall be secured—

(*a*) in the case of members who have paid in full the value of the house-sites put in their possession in accordance with by-law 59 and whose term of nineteen years has not expired, by the money deposited with the society for the purchase of the site and also by the mortgage of the house or houses constructed or to be constructed on that site out of the Government loan; and

(*b*) in the case of members who have sold the house-sites after the expiry of the term of nineteen years by the mortgage of house or houses to be constructed thereon.

NOTE.—In the case of the former the house-site shall not be conveyed to them till the loan taken under this by-law is also discharged.

(8) Loans granted for the construction of new houses shall be disbursed only in instalments as the work of construction progresses. The second and subsequent instalments shall be paid only after the panchayat has satisfied itself that the instalment or instalments already drawn have been properly utilized and that the work actually done together with the value of the land represents expenditure exceeding by at least 15 per cent of the actual amount drawn from the Government loan sanctioned for the work.

(9) It shall be open to the borrower to repay at any time a larger sum than the prescribed monthly instalment or to discharge the whole loan taken by him in a single payment. In the case of payment made under the equated payment system repayments other than those made on the due date of the prescribed annual instalment will be classed as follows:—

(i) *Payment on the due date of a sum in excess of the equated payment.*—Such excess payment shall be credited in reduction of principal, the amount of each future instalment being correspondingly reduced, but no postponement of such instalments will be allowed or the number of subsequent instalments reduced.

(ii) *Payment before the due date of the equated payment.*—Such payment shall be treated as having been made on the due date.

(iii) *Where a member has elected to repay the loan in monthly or annual instalments together with interest due on the amount outstanding from time to time.*—Any sum paid before the due date shall first be credited towards the interest which has accrued up to the date of payment and the balance, if any, shall be credited towards principal, the member being required to pay

on the due date the balance of interest due for the month and also the balance of principal, if any, due for that period.

(10) The repayment of the first instalment of every loan for the construction of a new house will fall due on the expiry of one month from the date on which the building for the construction of which the loan is granted is finished or of eight months from the date of disbursement of the first instalment of the loan whichever is earlier. The interest accrued up to the date of completion of the building for which a loan is granted shall be payable in a lump sum on completion of the building or on the expiry of eight months from the date of the disbursement of the first instalment of the loan, whichever is earlier, failing which interest at the rate of pies per rupee per mensem shall be levied on the amount overdue.

NOTE.—The penal interest should not exceed 12½ per cent per annum.

(11) The construction of a building for which a loan is given to a member shall be commenced within one month and completed within eight months from the date of disbursement of the first instalment of the loan to the society. If any member fails to commence or complete the construction within the specified time the panchayat may take the construction in their own hands and complete it debiting the expenditure to the loan account of the member concerned.

(12) Every member receiving a loan from the society for the construction of a house or houses shall agree to an inspection of the house or houses during the progress of construction and a valuation thereof immediately on completion. He shall similarly agree to an annual inspection to test the security of the loan outstanding.

(13) Every building shall until the amount due thereon to the society is paid in full be kept in good repair by the owner. The panchayat shall have power to cause any repair to be carried out if they are of opinion that for want of such repair the society is likely to suffer loss and shall debit the amount to the loan account of the member concerned.

Profits.

60. The net profits of the society as declared by the Registrar of Co-operative Societies year after year shall be disposed of as shown below:—

(1) One-half of the net profits shall be carried to the credit of the reserve fund;

(2) out of the remaining a dividend not exceeding 6¼ per cent per annum may be paid to the members proportionately to the amount of the paid-up share capital held by each;

(3) a sum not exceeding $7\frac{1}{2}$ per cent of the net profits may be carried to the credit of the common good fund to be utilized for any of the purposes mentioned in section 2 of Act VI of 1890, India, viz., sanitation and education;

(4) out of the balance, if any, a sum not exceeding the amount to be fixed by the general body every year shall be divided among the members according to the amount of purchases from or through or sales to or through the society made by them during the year; and

(5) the balance still left, if any, shall be added to the reserve fund.

NOTE.—Notwithstanding anything contained in the above by-law, if in any year the overdues under principal against members exceed 75 per cent of the demand, the entire net profits of that year shall be carried to the Reserve, Fund.

61. (1) The reserve fund shall belong to the society as a whole and is intended to meet unforeseen losses. It shall be indivisible and no member shall have any claim to a share in it. It may be drawn upon with the special sanction of the Registrar to meet unforeseen losses.

(2) On the dissolution of the society the reserve fund together with the other funds contributed by the society in accordance with its by-laws, including the common good fund and the dividend equalization fund, shall be applied by the liquidator to the discharge of such liabilities of the society as may remain undischarged out of the assets of the society in the following order, namely,

(*a*) the debts of the society;

(*b*) the paid-up share capital; and

(*c*) the dividend on paid-up share capital, at a rate not exceeding $6\frac{1}{4}$ per cent per annum, for any period or periods for which no dividend has been paid.

(3) Any surplus funds remaining after the payments mentioned in sub-rule (2) shall be utilized in the following manner and subject to the following conditions, namely,

(i) The surplus funds shall be utilized for such object of public utility within the area in which the dissolved society carried on its operations as may be selected by its general body at a meeting and approved by the Registrar. The funds shall, until they are disbursed for such object, be kept invested in a financing bank and it shall be the duty of the committee of such bank to see that any amount withdrawn is spent properly and to allow withdrawal of funds in instalments as the work for which they are intended progresses to its satisfaction.

(ii) If within 30 days after the issue of notice by the liquidator appointed to wind up the affairs of the

society, the general body fails to make any selection that is approved by the Registrar, the Registrar may place the surplus funds on deposit or otherwise with a financing bank working in the area in which the dissolved society carried on its operations, until a new co-operative society with similar objects is registered in such area, in which case the funds shall be credited to the reserve fund of such society. If, in the opinion of the Registrar, there is no prospect of a new society being formed in such area within a reasonable time, the Registrar shall assign the amount to the Bad Debts Reserve or the Reserve Fund of the financing bank working in such area.

62. If, however, at any time, the general body resolves to split the society into more than one society by excluding a portion of the existing area of operation from the operations of the society and a new society or societies be registered to cover the area so excluded, a portion of the reserve fund shall be transferred to the society or societies as decided upon by the general body which resolves upon the splitting of the original society.

63. (1) Notwithstanding anything contained in the by-laws of the society as to the mode of summoning general meetings and the object, time and place of such meetings, the Registrar or any person authorized by the Registrar to make inquiries under section 35 of the Act in that behalf, may—

(*a*) summon at any time a special general meeting of the society with twenty-four hours' notice in such manner and at such time and place as he may direct, and

(*b*) specify what matters shall be discussed by the meeting.

Such meeting shall have all the powers of a meeting called according to the by-laws of the society, provided that any resolution passed at such meeting shall have the full force of a resolution of the general body of the society notwithstanding the fact that there may be present less than the *quorum* prescribed under by-law 33, provided that the Registrar is satisfied for reasons to be recorded by him in writing—

(i) that it was impossible for the society to secure the attendance of the quorum,

(ii) that the resolution is for the good of the society, and

(iii) that the resolution is likely to meet with the approval of the general body of the members.

(2) (*a*) It shall be open to the general body to place the management of the society in the hands of a single person who may be either a member or non-member. The appointment shall, however, be subject to the approval of the Central Bank in case

the society is indebted to it and of the Registrar in case it is not indebted to the Central Bank. The person so appointed shall have all the powers of the panchayat under the by-laws. In the matter of collecting loans, filing of arbitration references and applications for execution of awards, he shall act on his own responsibility in accordance with the by-laws. But he shall purchase lands or sell lands only with the previous approval of the Central Bank. He shall, however, obtain the previous approval of the general body in the following matters:—

(1) Admission of members,
(2) allotment of shares to members,
(3) refund of share capital to members either by adjustment or in cash,
(4) borrowing money, and
(5) grant of loans to members.

(*b*) The general body may, subject to the approval of the Central Bank or Registrar as the case may be, pay to the manager such remuneration as it deems fit for his services. The manager shall convene a meeting of the general body before the expiry of the period for which he is appointed and get a panchayat elected in accordance with the by-laws. If for any reason a panchayat cannot be elected before the expiry of the period of his appointment, he shall continue to be in charge of the management of the society till a panchayat is elected under the by-laws.

Miscellaneous.

64. No amendment to, alteration in, or cancellation of, a by-law nor the enactment of a new by-law shall be made except at a general meeting of the members or shall take effect until it shall have been approved by the Registrar.

65. Should any doubt arise as to the construction of the Act or any by-law, the panchayat shall refer the same to the Registrar of Co-operative Societies for advice and act according to his advice.

65A. The society shall prepare annually in such form as may be prescribed by the Registrar—

(*a*) a statement showing the receipts and disbursements for the year,
(*b*) a profit and loss account,
(*c*) a balance-sheet, and
(*d*) such other statements as may be prescribed by the Registrar.

These statements shall be made up to 30th June and a copy of each shall be sent to the Registrar within fifteen days after the close of the co-operative year ending 30th June. After the Registrar has verified the statements and granted his audit certificate, the society shall publish such of the prescribed statements as he may direct in the manner prescribed by him.

66. If any dispute touching the business of the society (other than a dispute regarding disciplinary action taken by the society or its committee against a paid servant of the society) arises,

(*a*) among members, past members and persons claiming through members and deceased members, or

(*b*) between a member, past member or person claiming through a member, past member or deceased member and the society, its committee or any officer, agent or servant of the society, or

(*c*) between the society or its committee and any past committee, any officer, agent or past servant or the nominee, heirs or legal representatives of any deceased officer, deceased agent or deceased servant of the society, or

(*d*) between the society and any other registered society, such dispute shall be referred to the Registrar for decision.

The Registrar may, on receipt of such reference,

(i) decide the dispute himself, or

(ii) transfer it for disposal to any person who has been invested by the Local Government with powers in that behalf, or

(iii) refer it for disposal to an arbitrator or arbitrators.

The decision or award of the Registrar or the person to whom the reference was transferred or by the arbitrator or arbitrators to whom it was referred shall be final, subject to the provisions of sub-section (5) of section 51 of the Madras Co-operative Societies Act of 1932 and it may be enforced in any one of these ways:—

(*a*) by an application made to the Collector of the district through the Registrar of Co-operative Societies requesting that the amount due under the decision or award may be recovered in the same manner as arrears of land revenue;

(*b*) by an application to the Civil Court having jurisdiction over the subject-matter of the decision or award requesting that the Court may enforce the decision or award as if it were a decree of the Court; and

(*c*) by an application to the Registrar of the district in which the cause of action arose, that the decision or award be enforced as provided in Rule XXII of the rules framed under the Madras Co-operative Societies Act.

67. Should any sum belonging to the society be either stolen or otherwise lost and found irrecoverable, it shall be open to the general body to write off such amount after obtaining the sanction of the union to which the society is affiliated or the Registrar in case the society is not affiliated to any union.

68. If any sum belonging to the society is either stolen or otherwise lost and found irrecoverable or if any loan due to the society is found otherwise irrecoverable either wholly or in part, it shall be open to the general body to write off such amount after obtaining the sanction of the Union and of the Central Bank to which the society is affiliated or of the Registrar and of the Central Bank, if it is not affiliated to any union.

69. Any amount due by the society and not claimed within the period of limitation allowed by the Indian Limitation Act shall be added to the Reserve Fund of the society.

APPENDIX TO BY-LAW 58.

Agreement by the Society with the individual purchaser.

An agreement made the day of one thousand nine hundred and between the Co-operative Society (hereinafter called ' the vendor ' which expression where the context admits shall include its successors and assigns) of the one part, and son of residing at and a member of the said society (hereinafter called the ' purchaser ' which expression where the context admits shall include his heirs, executors, administrators, legal representatives and assigns) of the other part.

Whereby it is agreed as follows: —

(1) Subject to the condition herein contained the vendor agrees to sell and the purchaser agrees to purchase all that piece or parcel of land situated in the village of in the district of and more particularly described in the schedule hereto now in the possession of the purchaser at the price of Rs. and such other sum as may be paid by the vendor under the Land Acquisition Act in respect of the said piece of land such total sum to be paid by annual instalments of not less than 5 per cent per annum on the day of in each year together with interest at the rate of 12½ per cent per annum on so much of the balance of the purchase money as shall from time to time remain owing until the whole shall be pıed

(2) The purchaser will pay assessment on the said piece of land at the appropriate rate according to the rules for the time being in force.

(3) In accordance with by-law 59 (5) of the said society the purchaser shall invest with the vendor as share capital not less than Rs.

(4) The purchaser may at any time on any of the said yearly days pay the balance of the purchase money then remaining unpaid and interest.

(5) In case the purchaser shall fail to pay any of the said instalments of principal and interest within ten days after the date on which the same shall become due, the whole of the balance of the purchase money then remaining unpaid shall

become immediately payable and the vendor may proceed to recover the same as if it were a debt due to the society or the vendor may instead of so proceeding declare that this agreement has ceased and determined and that the share capital and any moneys already paid by the purchaser under this agreement have been absolutely forfeited to the vendor and upon such declaration this agreement shall so cease and determine and such deposits and moneys shall be so forfeited.

(6) The purchaser will not carry on any trade or business upon the premises or any part thereof but will use the piece or parcel of land as a house-site and erect thereon a private dwelling house only and will not use or occupy the same or any part thereof nor permit the same or any part thereof to be used or occupied so as in the opinion of the vendor to damage or injuriously affect the adjoining property or create a nuisance.

(7) The vendor's title shall not be called for or investigated or on any ground objected to but it shall be assumed that the vendor is the owner of the said piece of the land free from encumbrances.

(8) The purchaser shall not be entitled to a conveyance of the said piece of land until the expiry of nineteen years from the date of this agreement and until the whole of this purchase and other moneys have been paid. Until such conveyance the purchaser shall not let, sell or otherwise part with the possession of the said piece or parcel of land and any building thereon.

(9) In case of breach of any of the terms of this agreement by the purchaser the vendor may determine the contract for purchase and the purchaser shall forfeit all moneys paid under this agreement and on demand give up possession of the said piece of land and premises to the vendor but without prejudice to any right of action or other remedy of the vendor in respect of any breach by the purchaser of any of the provisions of this agreement.

In witness whereof and and three of the members ( ) Co-operative Society and have hereunto set their hands to-day and year first above written.

The schedule hereinbefore referred to.

Description of property.

Signed by the abovenamed in the presence of }

Signed by the abovenamed in the presence of }

BY-LAWS OF THE CO-OPERATIVE SALE SOCIETY, LIMITED, No. .

Name, constitution and address.

The Co-operative Sale Society, Limited, No. is registered as a co-operative society under Act VI of 1932 (Madras). Its address shall be village, post, in the taluk of in the district. Its operations shall be confined to

NOTE.—The Sale Society, Ltd., shall be referred to in these by-laws as the "Society" and a member society as an " society."

Objects.

2. The objects of the society are—

(1) to encourage self-help, thrift and co-operation among members;

(2) to advance loans to members on the security of their produce;

(3) to arrange for the sale of produce of members to the best advantage;

(4) to rent or own godowns to facilitate the grant of loans to members and the sale of their produce; and

(5) to act as the agent of those members which are affiliated societies in the matter of receiving for safe custody in its godowns or elsewhere the produce pledged to such societies by their individual members.

It shall be competent for the society to borrow money and do such other things as are incidental or conducive to the attainment of the above objects.

Membership.

3. The liability of the society shall be limited to the share capital subscribed by them.

4. The capital of the society shall for the present be Rs. made up of shares of Rs. each. The value of each share shall be paid in one lump sum on allotment.

5. Any person over eighteen years of age who is competent to contract residing within the limits referred to in the third sentence of by-law 1 and also any agricultural co-operative credit society with unlimited liability situate within the area of operations shall be eligible for admission as a member; but no person or co-operative society can claim admission as a matter of right.

6. Applications for admission as members and for allotment of shares shall be made to the Secretary in the form, if any, prescribed by the society for the purpose. Every such application shall be disposed of by the Board of Directors who shall have power to grant admission or to refuse it without assigning reasons.

7. Every member shall take at least one share, but no member other than an affiliated society shall take more than shares. Every member shall pay an entrance fee of annas for each share taken by him at the time of taking the share provided that the total payment of entrance fees by any one member for all the shares held by him shall not exceed Rs. . No affiliated society shall take more than shares.

8. No member shall be permitted to withdraw any of the shares held by him in the society within years after the date when such shares were taken by him. But a member may withdraw shares with the consent of the Board of Directors after such period provided firstly that he has given at least six months' notice of withdrawal, secondly that the total amount of share capital that is permitted to be withdrawn in any one year does not exceed 10 per cent of the aggregate paid-up share capital of the society as it was on June 30th preceding, and thirdly that there are no debts due from him to the society. When a member withdraws shares under this by-law, he shall be paid back the share capital actually paid by him with the dividend declared, if any.

9. Should an individual member cease to be eligible for membership either on account of the removal of his residence from the limits prescribed in by-law 1 or for any other cause, the society shall remove his name from the list of members and shall pay back within a reasonable period to such members the share capital actually paid by him with the dividend declared, if any, after deducting therefrom the money, if any, due from him to the society.

10. (1) If an individual member dies, his membership shall *ipso facto* cease.

(2) (*a*) Every individual member of the society may nominate any person to succeed, in the event of his death, to his share or interest in the society. Such nomination shall, in the event of his death, be given effect to by the society provided—

- (i) the nomination was signed by the deceased in the presence of at least two witnesses attesting the same;
- (ii) the nomination has been registered in the books of the society kept for the purpose; and
- (iii) the person nominated shall have been admitted by the Board of Directors as a member of the society under by-law 6.

(*b*) In the event of there being no person nominated by the deceased member *who is qualified in accordance with the by-laws for membership of the society, the society shall transfer* the

share or interest of the deceased member to *such person as may appear to the committee to be* the heir or legal representative or the deceased or to any person (nominated by such nominee, heir or legal representative) within one month of the death of the deceased member, provided such heir or legal representative or nominee shall have been admitted by the committee as a member of the society under by-law 6.

(*c*) In the event of there being no person *qualified* to succeed under clause (*a*) or (*b*) of this by-law to the share or interest of a deceased member, the society shall pay to the nominee of the deceased or to the heir or legal representative as the case may be, a sum representing the deceased members' share or interest at the time of his death, ascertained in accordance with the by-laws of the society.

(3) Subject as aforesaid, the society may pay all other moneys due to the deceased member from the society, to the person nominated by him in accordance with clause (2) (*a*) of this by-law or to such person as may appear to the committee to be the heir or legal representative of the deceased member, as the case may be.

11. An affiliated society shall on liquidation cease to be a member of the society and the share capital held by it will be returned to the liquidator after deducting therefrom the debts if any due by the affiliated society.

12. (1) A past member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date when he ceased to be a member, for a period of two years from such date.

(2) The estate of a deceased member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date of his decease, for a period of two years after his decease.

13. No member shall be permitted to transfer his share or shares or create a charge in respect of the same in favour of another member or person except with the previous sanction of the Board of Directors.

14. With the sanction of the Board of Directors a member may at any time increase the number of shares held by him so as not to exceed the limit of   shares laid down in by-law 7.

Borrowings.

15. It shall be competent to the Board of Directors to receive deposits and to borrow funds either from members or from persons other than members or from institutions registered under the Indian Companies Act or under the Co-operative Societies Act or from the Imperial Bank of India provided firstly that the aggregate indebtedness of the society whether to members or to non-members shall not exceed the total amount of the loans given to

and outstanding against the members on the security of the produce pledged, and secondly that the rate of interest payable shall not exceed—

(*a*) per cent per annum on deposits and other borrowings from non-members;

(*b*) per cent per annum on deposits and other borrowings from members; and

(*c*) per cent per annum on borrowings from the Central Bank.

The previous sanction of the Registrar of Co-operative Societies shall be obtained for borrowing money from societies registered under the Indian Companies Act or from the Imperial Bank of India.

Management.

16. Subject to such resolutions as the general body may from time to time pass, the executive management of the affairs of the society shall vest in a Board of Directors. The Board of Directors shall consist of not more than members. A Director who is a representative of an affiliated society shall cease to serve on the Board if the society concerned withdraws its delegation or when he ceases to be a member of his society.

17. The members of the Board of Directors shall be elected by the general body for a period of two years from among the members. Members of the Board of Directors shall continue in office after the expiry of their term of office, until by election another Board is constituted. A retiring member of the Board of Directors shall be eligible for re-election. After the Board of Directors is elected by the general body, they shall elect from among themselves a President, a Secretary and an Assistant Secretary. Interim vacancies on the Board of Directors may be filled up by the remaining members of the Board by co-optation for the unexpired portion of the period except in cases contemplated in by-law 21. Any member or members of the Board of Directors may at any time be removed by a resolution of the general body.

18. The Board of Directors shall meet once a fortnight or oftener if necessary to conduct the affairs of the society. No decision of the Board of Directors shall be valid unless it is assented to by at least members. No member of the Board of Directors shall be present at a meeting of the Board when any matter in which he is personally interested is being discussed. In case of urgency where there may not be sufficient time to convene a meeting of the Board of Directors and in all cases in which such a procedure may, from time to time, be prescribed by the Board of Directors, the Secretary may obtain the orders of the Board of Directors by circulation of papers among the members present at the headquarters of the society. Such decisions arrived at by circulation shall be placed before the next meeting of the Board of Directors for their ratifications/information. Should a difference of opinion arise in the course of such circulation,

the matter shall not be decided by circulation but shall be placed before a meeting of the Board of Directors

19. Should a member of the Board of Directors absent himself from four consecutive meetings of the Board, he shall cease to be a member of the Board of Directors but may be reinstated by the Board of Directors.

20. Subject to such resolutions as the Board of Directors may from time to time pass the several officers of the society shall have the powers mentioned below:—

(*a*) the President shall have a general control over all the affairs of the society and shall ex-officio be the Treasurer and shall have the custody of all the properties of the society. He shall also have power to appoint the members of the establishment as well as to fine, suspend or dismiss them subject in the last two cases to the approval of the Board of Directors;

(*b*) the Secretary shall be responsible for the executive administration of the society subject to the control of the President;

(*c*) The $\frac{\text{Secretary}}{\text{President}}$ shall be the officer to sue or be sued on behalf of the society and all bonds in favour of the society shall be in the name of the $\frac{\text{Secretary}}{\text{President}}$;

(*d*) the Assistant Secretary shall help the Secretary. Should the Secretary or the Assistant Secretary require relief from work, it shall be competent to the President to grant such relief, making suitable arrangements for the conduct of work by one or more of the members of the Board of Directors.

21. Any member of the Board of Directors who commits default in respect of a loan taken by him from the society shall *ipso facto* be considered disqualified to continue as an office-bearer. But if the default has been for a period of three months or less, the defaulter may be reinstated by the general body on his showing good cause for the default. In no circumstance shall a defaulter continue to hold office as a member of the Board of Directors if his default has continued for more than three months.

22. Receipts shall be issued for all moneys paid to the society. For moneys paid by members the receipt shall be signed by the President or the Secretary or the Assistant Secretary whoever is selected by the Board of Directors to discharge this function. In the case of borrowings from non-members or from other societies, the receipt or bond shall be executed by at least   members of the Board of Directors of whom the Secretary or the President shall be one.

23. It shall be the duty of the Board of Directors to maintain such accounts and registers as are prescribed by rule V of the rules under the Act and by the Registrar from time to time, to

place before a general body meeting of the members the Registrar's notes of audit or inspection within one month from the date of receipt, to correspond with the Registrar and to do all other business relating to the society.

24. The Board of Directors shall have power to prescribe from time to time the scale of office establishment and to incur such expenditure as may be necessary for the management of the society with reference to the scale and within the budget allotment sanctioned by the general body for each year. It shall be competent to the Secretary to incur petty contingent expenditure subject to a maximum of Re. 1 for any item.

25. The Board of Directors shall be competent to fix the amount and nature of the security, if any, to be given by the office establishment.

26. It shall be competent to the Board of Directors to frame subsidiary by-laws for the conduct of the business of the society consistent with the Act, the rules under the Act and these by-laws. Such subsidiary by-laws shall be entered in the minute book of the society and they shall be reported to the Registrar of Co-operative Societies for approval.

27. The services of the members of the Board of Directors shall be gratuitous except as provided for in by-law 49.

Godowns.

28. It shall be the duty of the Board of Directors to arrange for the safe custody of the produce either in the godowns of the society or in suitable places. For this purpose, they may build, buy or hire one or more godowns for the purpose of keeping the produce pledged to the society for loans given to individual members of the society or lodged with the society for safe custody by individual members of the affiliated societies and charge a reasonable rent on a scale to be fixed by them from time to time for the use made of these godowns by individual members of the society or by members of affiliated societies or by others. They shall also arrange for the insurance of the produce pledged.

Sale of produce.

29. The Board of Directors may arrange for the sale of produce of members pledged or deposited with the society. In arranging for the sale, they shall act only as the agent of the members concerned and shall not do business as owner on behalf of the society. Any loss arising out of the transactions shall be borne by the members concerned, and not by the society. When the Board of Directors act as agent it should be under the written authority of the members concerned. The Board shall not enter into any forward contracts with dealers without the express permission of the member or members concerned. No produce shall be removed from the godowns until all loans, interest, fees or charges due thereon shall first have been paid in full to the society or to its affiliated societies.

30. All transactions by way of sales on behalf of members shall be on the ready money system.

31. The Board of Directors may charge a reasonable commission on sales arranged by them.

32. At the end of each quarter stock shall be taken of all the produce in the custody of the society after giving due notice to the member concerned. It shall be competent to the Board of Directors to fix the scale of depreciation to be allowed in the case of produce deposited in the godown of the society and such scale shall be binding upon the members of the society.

General body.

33. The ultimate authority in all matters relating to the administration of the society shall be the general body of the members who shall meet from time to time and at least once a year to conduct the work of the society. The general body shall not however, interfere with the orders of the Board of Directors in respect of matters delegated to it under the by-laws. The general body of the society shall consist of individual members and representatives of affiliated societies. Each affiliated society shall elect a delegate from among its members to be its representative for a period of   years or till his successor is elected by the affiliated society concerned. An affiliated society can withdraw its delegate at any time and send another instead. A delegate ceasing to be a member of the affiliated society which he represents shall cease to represent it. The following among other matters shall be dealt with by the general body:—

(1) the election and removal of the Board of Directors;
(2) the annual report due to the Registrar of Co-operative Societies;
(3) the Registrar's annual audit certificate;
(4) the amendment or repeal of any existing by-law or the enactment of a new by-law;
(5) the expulsion of a member;
(6) the consideration of any complaint which any individual member may prefer against the Board of Directors; and
(7) the returns that may be prescribed by the Local Government; and
(8) consideration of the annual budget.

34. A meeting of general body of the members may be convened, whenever necessary, for the conduct of the business by the Board of Directors and shall be so convened by the Board of Directors at the request of 15 or more members (individuals or representatives of societies) or at the instance of the Registrar.

35. It shall be the duty of every member to attend the meetings of the general body. The quorum for a general body meeting shall be   or one-fourth of the total number of members on the list at the time, whichever is less.

36. The President, when present, shall preside at the meetings of the general body. In his absence the body may choose a chairman from their number to preside at the meeting. Every member present shall have one and only one vote. All questions shall be decided by a majority of votes of the members present and voting. When votes are equal, the chairman of the metting shall have a casting vote.

37. days' notice shall ordinarily be given to members before a meeting of the general body is convened.

38. If an individual member deceives the society in any way, or if his general conduct is such as to render his removal necessary in the interest of the society, it shall be open to the general body to expel such member. An individual member expelled shall be paid all moneys due to him from the society, after deducting therefrom any money due from him to the society. An individual member who drives the society to Court to recover the money due from him shall, for that reason, be expelled from membership. An individual member expelled shall be liable, as provided in by-law 3, for the debts due by the society as they stood on the date of his expulsion, for a period of two years after such expulsion.

Loans.

39. Loans shall be given only to members, but no members can claim a loan as a matter of right. Applications for loans shall be disposed of by the Board of Directors.

40. All applications for loans shall be made to the Secretary in the form, if any, prescribed for the purpose who shall place them before the Board of Directors.

41. No member shall at any time be indebted to the society by way of principal to the extent of more than Rs. on account of any loan or loans taken by him.

42. Interest on loans granted by the society shall for the present be charged at one and a half pies per rupee per mensem, the first month being reckoned from the date on which the loan is paid to the corresponding date of the next. Every fraction of a month shall be treated as a whole month if it be more than fifteen days and as half a month if it be fifteen days or less.

43. Loans may be given on the security of agricultural produce pledged to the society and placed in its custody. No loan shall be given exceeding per cent of the market value as fixed by the Board of Directors of the produce pledged by the borrowing member.

44. A loan is repayable as soon as the produce which forms the security for it is sold and in any case not later than six months from the date of disbursement of the loan. In the event of a borrower being unable to repay, the Board of Directors may, for satisfactory reasons to be recorded in writing, give him an extension of time for a period not exceeding one year from the original

date of the loan. If a borrower does not pay his dues on the due date, it shall be competent for the Board of Directors to sell without notice to the borrower and without his consent the produce pledged and credit the sale-proceeds to his loan account. If there is a deficit the borrower shall make it good.

45. The amount of paid-up share capital, deposit and any other money to the credit of a member or a past member shall be subject to a first charge in favour of the society in respect of any moneys due to the society from such member or past member. The society shall be at liberty to appropriate the whole or any portion of such paid-up share capital or deposit or any other money to the moneys due by the member to the society.

46. When a member from whom money is due pays any sum, it shall be appropriated in the following order:—

Firstly, to fees, fines, postal, registration and other miscellaneous charges due by him;

Secondly, to interest; and

Thirdly, to principal.

47. When a loan is not paid on the due date, the loan account shall at once be closed and the Board of Directors shall inform the borrower of the fact and of the amount outstanding against him including interest up to the date of closing the loan account. On the total amount so found due, the borrower shall be charged interest at two pies per rupee per mensem from the date of closing the loan account to the date of recovery and steps shall be taken without delay to recover the amount.

48. If a member becomes ineligible for membership at any time and his name has on that account to be removed from the list of members under by-law 9 or should a member be expelled under by-law 38 the loan account, if any, of the member concerned shall at once be closed without reference to the term for which the loan has been granted and action shall be taken to recover from the borrower the amount outstanding against him including interest up to the date of closing the loan account. Interest shall be charged at two pies per rupee per mensem on the amount so found outstanding from the date of closing the loan account to the date of recovery.

Profits.

49. (1) Twenty-five per cent of the net profits of the society as declared by the Registrar every year shall be carried to the reserve fund;

(2) out of the remainder, a dividend subject to a maximum of 9 per cent per annum on the paid-up value of each share may be paid to members proportionately to the amount of paid-up share capital held by each and also to the period during which the paid-up share capital was so held during the year;

(3) out of the remainder—

(*a*) an honorarium of $12\frac{1}{2}$ per cent of the net profits subject to a maximum of Rs. may be paid to the Secretary;

(*b*) a sum not exceeding $7\frac{1}{2}$ per cent of the net profits may be paid to a common good fund to be utilized for any of the purposes mentioned in section 2 of the Charitable Endowments Act VI of 1890 (India), namely, , if the general body so wish;

(*c*) a sum not exceeding per cent of the net profits may be carried to a building fund if the general body so wish;

(4) any profits not allotted in the manner aforesaid in any year shall be forthwith added to the reserve fund.

All undisbursable and indivisible profits shall be added to the reserve fund.

or

* 49A. (i) Twenty-five per cent shall be carried to the credit of the reserve fund.

(ii) The balance shall be utilized towards the annual repayment of state loans, principal and interest taken for the construction of godown, provided that the Registrar shall have power to suspend the payment of annual instalment in any year for which the net profit earned by the society is less than the amount of that instalment when such suspended payments shall be paid before the expiry of 30 years from the date of payment of the first instalment and provided also the profit, if any, of the society in succeeding years over and above the amounts necessary to meet the instalments due shall be liable up to a maximum of 50 per cent of such profits to make good the instalments in respect of which the society is in default.

(iii) Out of the remainder, if any, a dividend subject to a maximum of 9 per cent per annum on the paid-up value of each share may be paid to members proportionately to the amount of paid-up share capital held by each and also to the period during which the paid-up share capital was so held during the year.

(iv) Out of the remainder—

(*a*) an honorarium of $12\frac{1}{2}$ per cent of the net profits subject to a maximum of Rs. may be paid to the Secretary;

(*b*) a sum not exceeding $7\frac{1}{2}$ per cent of the net profits may be paid to a common good fund to be utilized for any of the purposes mentioned in section 2 of the Charitable Endowments Act VI of 1890 (India), namely, if the general body so wish;

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* NOTE.—By-law 49, as stated in the proviso is to be adopted by societies taking loans from Government.

(*c*) a sum not exceeding   per cent of the net profits may be carried to a building fund if the general body so wish;

(v) Any profits not allotted in the manner aforesaid in any year shall be forthwith added to the reserve fund.

All undisbursable and indivisible profits shall be added to the reserve fund.

Reserve fund.

50. (1) The reserve fund shall belong to the society as a whole and is intended to meet unforeseen losses. No member can claim a share in it. It shall be invested in such manner as the Registrar of Co-operative Societies prescribes and shall not be drawn upon except with his sanction.

(2) On the dissolution of the society the reserve fund and other funds contributed by it under provisions of its by-laws shall be applied—

(i) to discharging such liabilities of the society as may remain undischarged after the enforcement in full of the liability of the members of the society,
(ii) to the repayment of the share capital paid up, and
(iii) to the payment of dividend upon such share capital at a rate not exceeding 9 per cent per annum for any period or periods for which no dividend has been paid.

(3) Such portion of these funds as shall remain after payments mentioned in sub-clause (2) shall be applied to such local objects of public utility as may be selected by the general body and approved of by the Registrar. If within three months of the final closing up of the society the general body fails to make any selection that is approved of by the Registrar, the latter may use the abovementioned portion of the funds in supporting other co-operative societies in the neighbourhood or shall place the same on interest or otherwise with some co-operative bank until a new co-operative society with a similar area of operations is registered in which event the funds shall be credited to the reserve fund of such society.

50A. If, however, at any time the general body resolves to split the society into more than one society by excluding a portion of the existing area of operations from the operations of the society and a new society or societies be registered to cover the area so excluded, a portion of the reserve fund shall be transferred to the society or societies as decided upon by the general body which resolves upon the splitting of the original society.

Miscellaneous.

51. No amendment to, alteration in, or cancellation of, a by-law nor the enactment of a new by-law shall be made except at a general meeting of the members or shall take effect until it shall have been approved by the Registrar.

52. Should any doubt arise as to the construction of the Act or any by-law, the Board of Directors shall refer the same to the Registrar of Co-operative Societies for advice and act according to his advice.

53. The society shall prepare annually in such form as may be prescribed by the Registrar (*a*) a statement showing the receipts and disbursements for the year, (*b*) a profit and loss account, (*c*) a balance sheet and (*d*) such other statements as may be prescribed by the Registrar.

These statements shall be made up to 30th June and a copy of each shall be sent to the Registrar within fifteen days after the close of the co-operative year ending 30th June. After the Registrar has verified the statements and granted his audit certificate, the society shall publish such of the prescribed statements as he may direct in the manner prescribed by him.

54. In the case of a dispute touching the business of the society between members or past members of the society, or persons claiming through a member or past member or between a member or past member, or persons so claiming and the Board of Directors, a reference in writing may be made by any party to the Registrar Similarly, in the case of a dispute relating to a debt due to the society by a member or past member or persons claiming through a member or past member, a reference in writing may be made by either party to the Registrar. The Registrar shall have power, on receipt of such reference, either to decide the dispute himself or refer it to an arbitrator appointed by him or to several arbitrators of whom one shall be appointed by him and one other by each of the parties to the dispute. The decision or award of the Registrar or of the arbitrator or arbitrators as the case may be shall be final and it may be enforced in either of these ways—

(*a*) by an application made to the Collector of the district through the Registrar of Co-operative Societies requesting that the amount due under the decision or award may be recovered in the same manner as arrears of land revenue; or

(*b*) by an application to the Civil Court having jurisdiction over the subject matter of the decision or award requesting that the Court may enforce the decision or award as if it were a decree of the Court; or

(*c*) by an application to the Registrar of the district under section 57-A of the Co-operative Societies Act VI of 1932.

55. Should any sum belonging to the society be either stolen or otherwise lost and found irrecoverable, it shall be open to the general body to write off such amounts after obtaining the sanction of the Registrar.

BY-LAWS OF THE CO-OPERATIVE MILK SUPPLY SOCIETY, LIMITED, No.

Name, constitution and address.

The Co-operative Milk Supply Society, Limited, No. is registered as a co-operative society under Act VI of 1932 (Madras). Its address shall be village, post, in the taluk of in the district. Its operations shall be confined to

Objects.

2. The objects of the society are—

(1) to enable members to buy and maintain good milch animals;

(2) to buy and maintain breeding animals for use of the members;

(3) to arrange for the sale of milk or its by-products of the members to the best advantage by putting on the market pure and unadulterated milk or its by-products; and

(4) to purchase and own or to rent the machinery necessary for the preparation of by-products.

Membership.

3. The liability of the members of the society shall be limited to the share capital subscribed by them.

4. The capital of the society shall for the present be Rs. made up of shares of Rs. each. The value of each share shall be paid either in one lump sum on allotment or in instalments. When paid in instalments, Rs. shall be paid at the time of taking the share and the balance at the rate of one anna/six pies in the rupee per mensem which shall be deducted from the cost of milk or the by-products supplied by members.

5. Any person over eighteen years of age who is competent to contract residing within the limits referred to in the third sentence of by-law 1 shall be eligible for admission as a member; but no person can claim admission as a matter of right.

6. Applications for admission as members and for allotment of shares shall be made to the Secretary in the form, if any, prescribed by the society for the purpose. Every such application shall be disposed of by the Board of Directors who shall have power to grant admission or to refuse it without assigning reasons.

7. Every member shall take at least one share, but no member shall take more than shares. Every member shall pay an entrance fee of annas for each share taken by him at

the time of taking the share provided that the total payment of entrance fees by any one member for all the shares held by him shall not exceed Rs. .

8. No member shall be permitted to withdraw any of the shares held by him in the society within years after the date when such shares were taken by him. But a member may withdraw shares with the consent of the Board of Directors after such period provided firstly that he has given at least six months' notice of withdrawal, secondly that the total amount of share capital that is permitted to be withdrawn in any one year does not exceed 10 per cent of the aggregate paid-up share capital of the society as it was on June 30th preceding, thirdly that there are no debts due from him to the society and fourthly that there are no debts due to the society in regard to which he has stood surety. When a member withdraws shares under this by-law, he shall be paid back the share capital actually paid by him with the dividend declared, if any.

9. Should a member cease to be eligible for membership either on account of the removal of his residence from the limits prescribed in by-law 1 or for any other cause, the society shall remove his name from the list of members and shall pay back within a reasonable period to such member the share capital actually paid by him with the dividend declared, if any, after deducting therefrom the money, if any, due from him to the society either as principal debtor or as surety.

10. (1) If a member dies, his membership shall *ipso facto* cease.

(2) (*a*) Every member of the society may nominate any person to succeed, in the event of his death, to his share or interest in the society. Such nomination shall, in the event of his death, be given effect to by the society provided—

(i) the nomination was signed by the deceased in the presence of at least two witnesses attesting the same;

(ii) the nomination has been registered in the books of the society kept for the purpose; and

(iii) the person nominated shall have been admitted by the Board of Directors as a member of the society under by-law 6.

(*b*) In the event of there being no person nominated by the deceased member *who is qualified in accordance with the by-laws for membership of the society, the society shall transfer* the share or interest of the deceased member to *such person as may appear to the committee to be* the heir or legal representative of the deceased or to any person (nominated by such nominee, heir or legal representative) within one month of the death of the deceased member, provided such heir or legal representative or nominee shall have been admitted by the committee as a member of the society under by-law 6.

(c) In the event of there being no person *qualified* to succeed under clause (a) or (b) of this by-law to the share or interest of a deceased member, the society shall pay to the nominee of the deceased or to the heir or legal representative as the case may be, a sum representing the deceased member's share or interest at the time of his death, ascertained in accordance with the by-laws of the society.

(3) Subject as aforesaid, the society may pay all other moneys due to the deceased member from the society, to the person nominated by him in accordance with clause (2) (a) of this by-law or to such person as may appear to the committee to be the heir or legal representative of the deceased member, as the case may be.

11. (1) A past member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date when he ceased to be a member, for a period of two years from such date.

(2) The estate of a deceased member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date of his decease, for a period of two years after his decease.

12. No member shall be permitted to transfer his share or shares or create a charge in respect of the same in favour of another member or person except with the previous sanction of the Board of Directors.

13. With the sanction of the Board of Directors a member may at any time increase the number of shares held by him so as not to exceed the limit of   shares laid down in by-law 7.

Other borrowings.

14. It shall be competent to the Board of Directors to borrow funds otherwise than by way of deposits either from members, or others on such conditions as they deem fit provided that the interest payable on the borrowed amount shall not, in any case, exceed   per cent per annum.

Maximum borrowing limit.

15. The total borrowings of the society both by way of deposits or otherwise and whether from members or others shall not at any time exceed   times the paid-up share capital *plus* the reserve fund.

Management.

16. Subject to such resolutions as the general body may from time to time pass, the executive management of the affairs of the society shall vest in a Board of Directors. The Board of Directors shall consist of not more than   members.

17. The members of the Board of Directors shall be elected by the general body for a period of two years from among the members. Members of the Board of Directors shall continue in office after the expiry of their term of office, until by election another

Board is constituted. A retiring member of the Board of Directors shall be eligible for re-election. After the Board of Directors is elected by the general body, they shall elect from among themselves a President, a Secretary and an Assistant Secretary. Interim vacancies on the Board of Directors may be filled up by the remaining members of the Board by co-option for the unexpired portion of the period except in cases contemplated in by-law 21. Any member or members of the Board of Directors may at any time be removed by a resolution of the general body.

18. The Board of Directors shall meet once a fortnight or oftener if necessary to conduct the affairs of the society. No decision of the Board of Directors shall be valid unless it is passed by at least   members. Should there be an equality of votes, the president or other presiding member shall have a casting vote. No member of the Board of Directors shall be present at a meeting of the Board when any matter in which he is personally interested is being discussed. In case of urgency where there may not be sufficient time to convene a meeting of the Board of Directors and in all cases in which such a procedure may, from time to time, be prescribed by the Board of Directors, the Secretary may obtain the orders of the Board of Directors by circulation of papers among the members present at the headquarters of the society. Such decisions arrived at by circulation shall be placed before the next meeting of the Board of Directors for their $\frac{\text{ratification}}{\text{information}}$. Should a difference of opinion arise in the course of such circulation, the matter shall not be dicided by circulation but shall be placed before a meeting of the Board of Directors.

19. Should a member of the Board of Directors absent himself from four consecutive meetings of the Board, he shall cease to be a member of the Board of Directors but may be reinstated by the Board of Directors.

20. Subject to such resolutions as the Board of Directors may from time to time pass the several officers of the society shall have the powers mentioned below:—

(*a*) the President shall have a general control over all the affairs of the society and shall ex-officio be the Treasurer and shall have the custody of all the properties of the society. He shall also have power to appoint the members of the establishment as well as to fine, suspend or dismiss them subject in the last two cases to the approval of the Board of Directors;

(*b*) the Secretary shall be responsible for the executive administration of the society subject to the control of the President;

(*c*) the $\frac{\text{Secretary}}{\text{President}}$ shall be the officer to sue or be sued on behalf of the society and all bonds in favour of the society shall be in the name of the $\frac{\text{Secretary}}{\text{President}}$;

(*d*) the Assistant Secretary shall help the Secretary. Should the Secretary or the Assistant Secretary require relief from work, it shall be competent to the President to grant such relief, making suitable arrangements for the conduct of work by one or more of the members of the Board of Directors.

21. Any member of the Board of Directors who commits default in respect of any money due by him to the society shall *ipso facto* be considered disqualified to continue as an office-bearer. But if the default has been for a period of three months or less, the defaulter may be reinstated by the general body on his showing good cause for the default. In no circumstance shall a defaulter continue to hold office as a member of the Board of Directors if his default has continued for more than three months.

22. Receipts shall be issued for all moneys paid to the society. For moneys paid by members the receipts shall be signed by the President or the Secretary or the Assistant Secretary whoever is selected by the Board of Directors to discharge this function. In the case of borrowings from non-members or from other societies, the receipt or bond shall be executed by at least members of the Board of Directors of whom the Secretary or the President shall be one.

23. It shall be the duty of the Board of Directors to maintain such accounts and registers as are prescribed by rule V of the rules under the Act and by the Registrar from time to time, to place before a general body meeting of the members the Registrar's notes of audit or inspection within one month from the date of receipt, to correspond with the Registrar and to do all other business relating to the society.

24. The Board of Directors shall have power to prescribe from time to time the scale of office establishment and to incur such expenditure as may be necessary for the management of the society with reference to the scale and within the budget allotment sanctioned by the general body for each year. It shall be competent to the Secretary to incur petty contingent expenditure subject to a maximum of Re. 1 for any item.

25. The Board of Directors shall be competent to fix the amount and nature of the security, if any, to be given by the office establishment.

26. It shall be competent to the Board of Directors to frame subsidiary by-laws for the conduct of the business of the society consistent with the Act, the rules under the Act and these by-laws. Such subsidiary by-laws shall be entered in the minute book of the society and they shall be reported to the Registrar of Co-operative Societies for approval.

27. The services of the members of the Board of Directors shall be gratuitous except as provided for in by-law 39.

General body.

28. The ultimate authority in all matters relating to the administration of the society shall be the general body of the members who shall meet from time to time and at least once a year to conduct the work of the society. The following among other matters shall be dealt with by the general body:—

(1) the election and removal of the Board of Directors;

(2) the annual report due to the Registrar of Co-operative Societies;

(3) the Registrar's annual audit certificate;

(4) the amendment or repeal of any existing by-law or the enactment of a new by-law;

(5) the expulsion of a member;

(6) the consideration of any complaint which any individual member may prefer against the Board of Directors;

(7) the returns that may be prescribed by the Local Government; and

(8) the annual budget of the society.

The general body shall not, however, interfere with the action of the Board of Management in respect of matters delegated to it under the by-laws.

29. A meeting of the general body of the members may be convened whenever necessary, for the conduct of the business by the Board of Directors and shall be so convened by the Board of Directors at the request of 15 or more members or at the instance of the Registrar or by a member of the governing body specially deputed by a resolution of the governing body of the union to which the society is affiliated.

30. It shall be the duty of every member to attend the meetings of the general body. The quorum for a general body meeting shall be   or one-fourth of the total number of members on the list at the time, whichever is less.

31. The President, when present, shall preside at the meetings of the general body. In his absence the body may choose a chairman from their number to preside at the meeting. Every member present shall have one and only one vote. All questions shall be decided by a majority of votes of the members present and voting. When votes are equal, the chairman of the meeting shall have a casting vote.

32.   day's notice shall ordinarily be given to members before a meeting of the general body is convened.

33. If a member deceives the society in any way, or if his general conduct is such as to render his removal necessary in the interests of the society, it shall be open to the general body to expel such member. An expelled member shall be paid all moneys due to him from the society, after deducting therefrom

any money due from him to the society. A member who drives the society to Court to recover the money due from him shall, for that reason, be expelled from membership. An expelled member shall be liable, as provided in by-law 3 for the debts due by the society as they stood on the date of his expulsion, for a period of two years after such expulsion.

34. The general body shall have authority to affiliate the society to any co-operative union (with suitable jurisdiction) that may be registered by the Registrar or that is working in the neighbourhood of the society. Towards the expenses of such union the society shall contribute such sum as fixed by the governing body of the Union. If any dispute arises between the Society and the Union in regard to the amount levied the matter shall be referred to the Registrar and his decision shall be final.

Business of the society.

35. It shall be the duty of the Board of Directors to arrange for the purchase for cash or for credit the milk produced by members on such terms as may appear to them reasonable and for the sale of such milk to the best advantage. It shall be competent for them to frame subsidiary by-laws to regulate the purchase and sale of milk.

36. The Board of Directors may require a member to sell to the society the whole or any portion of the milk produced by him. Any member failing to comply with the request of the Board of Directors shall be liable to a fine not exceeding Rs. 2 for every such offence and if he persists in such conduct, it shall be open to the Board of Directors to direct his suspension from the privileges of membership till he is expelled or allowed to continue to enjoy the privileges of membership by the general body.

37. If any primary credit society working within the area of operations of the society has, by previous arrangement with the society, given a loan or loans to any member of the society for the purchase of a milch animal or of fodder for the same it shall be competent for the Board of Directors to pay to such society either in one lump sum or in instalments the amount due by such member out of the sale-proceeds of the milk supplied by him.

Joint purchase of cattle and fodder for the same.

38. The Board of Directors may arrange for the purchase and supply to members milch cattle or cattle food which they may require but in so doing they shall act only as the agents of the members concerned and shall not make the society liable for any loss arising out of the transaction.

38A. The Board of Directors may sanction loans to members not more than Rs. 100 to each member, for the purchase of milch cattle, for a period of one year and not more than Rs. 25

to each member for purchase of fodder for such cattle, for period not exceeding six months, the rate of interest payable on such loan being not more than per cent per annum. They may also give loans for the above purposes to groups of members on their *joint and several* responsibilities.

Profits.

39. (1) Twenty-five per cent of the net profits of the society as declared by the Registrar every year shall be carried to the credit of the reserve fund;

(2) out of the remainder, a dividend subject to a maximum of per cent per annum on the paid-up value of each share may be paid to members proportionately to the amount of paid-up share capital held by each and also to the period during which the paid-up share capital was so held during the year;

(3) out of the remainder—

(*a*) an honorarium not exceeding 25 per cent of the net profits may be paid to the Secretary or Assistant Secretary or both who may attend to the executive affairs of the society;

(*b*) the balance shall be available for distribution among the members as bonus in proportion to the value of the milk supplied by them; and

(*c*) all undisbursable and indivisible profits shall be carried to Reserve Fund.

Reserve fund.

40. (1) The reserve fund shall belong to the society as a whole and is intended to meet unforeseen losses. No member can claim a share in it. It shall be invested in such manner as the Registrar of Co-operative Societies prescribes and shall not be drawn upon except with his sanction.

(2) On the dissolution of the society the reserve fund and other funds contributed by it under provisions of its by-laws shall be applied:—

(i) to discharging such liabilities of the society as may remain undischarged after the enforcement in full of the liability of the members of the society;

(ii) to the repayment of the share capital paid up; and

(iii) to the payment of dividend upon such share capital at a rate not exceeding per cent per annum for any period or periods for which no dividend has been paid.

(3) Such portion of these funds as shall remain after payments mentioned in sub-clause (2) shall be applied to such local objects of public utility as may be selected by the generaly body

and approved of by the Registrar. If within three months of the final closing up of the society the general body fails to make any selection that is approved of by the Registrar the latter may use the abovementioned portion of the funds in supporting other co-operative societies in the neighbourhood or shall place the same on interest or otherwise with some co-operative bank until a new co-operative society with a similar area of operations is registered in which event the funds shall be credited to the reserve fund of such society.

41. If, however, at any time the general body resolves to split the society into more than one society by excluding a portion of the existing area of operations from the operations of the society and a new society or societies be registered to cover the area so excluded, a portion of the reserve fund shall be transferred to the society or societies as decided upon by the general body which resolves upon the splitting of the original society.

42. No amendment to, alteration in, or cancellation of, a by-law nor the enactment of a new by-law shall be made except at a general meeting of the members or shall take effect until it shall have been approved by the Registrar.

Miscellaneous.

43. Should any doubt arise as to the construction of the Act or any by-law, the Board of Directors shall refer the same to the Registrar of Co-operative Societies for advice and act according to his advice.

44. The society shall prepare annually in such form as may be prescribed by the Registrar (*a*) a statement showing the receipts and disbursements for the year, (*b*) a profit and loss account, (*c*) a balance sheet and (*d*) such other statements as may be prescribed by the Registrar.

These statements shall be made up to 30th June and a copy of each shall be sent to the Registrar within fifteen days after the close of the co-operative year ending 30th June. After the Registrar has verified the statements and granted his audit certificate, the society shall publish such of the prescribed statements as he may direct in the manner prescribed by him.

45. In the case of a dispute touching the business of the society between members or past members of the society, or persons claiming through a member or past member or between a member or past member, or persons so claiming and the Board of Directors, a reference in writing may be made by any party to the Registrar. Similarly, in the case of a dispute relating to a debt due to the society by a member or past member or persons claiming through a member or past member, a reference in writing may be made by either party to the Registrar. The Registrar shall have power, on receipt of such reference, either to decide the dispute himself or refer it to an arbitrator appointed

by him or to several arbitrators of whom one shall be appointed by him and one other by each of the parties to the dispute. The decision or award of the Registrar or of the arbitrator or arbitrators as the case may be shall be final and it may be enforced as follows: —

(*a*) by an application made to the Collector of the district through the Registrar of Co-operative Societies requesting that the amount due under the decision or award may be recovered in the same manner as arrears of land revenue; or

(*b*) by an application to the Civil Court having jurisdiction over the subject-matter of the decision or award requesting that the Court may enforce the decision or award as if it were a decree of the Court; or

(*c*) by an application to the Registrar of the district under Section 57-A of the Co-operative Societies Act.

46. Should any sum belonging to the society be either stolen or otherwise lost and found irrecoverable, it shall be open to the general body to write off such amounts after obtaining the sanction of the union to which the society is affiliated or the Registrar in case the society is not affiliated to any union.

BY-LAWS OF THE CO-OPERATIVE CATTLE INSURANCE SOCIETY, LIMITED, No. .

Name, constitution and address.

The Co-operative Cattle Insurance Society, Limited, No. , is registered as a co-operative society under Act VI of 1932 (Madras). Its address shall be , village post, in the taluk of in the district. Its operations shall be confined to . Loans may however be granted to members on the security of their immovable property situate in

Objects.

2. The objects of the society shall be—

(i) to help members in checking the spread of infectious diseases among their live-stock, arranging for medical relief for them when necessary and rendering pecuniary assistance to members for the death of such animals as have been insured in the society;

(ii) to act as agent for the disposal of the bones and hides of deceased cattle of the members;

(iii) to borrow from members and others funds needed for the discharge of the above purposes; and

(iv) generally encourage thrift, self-help and co-operation among the members.

Membership.

3. The liability of the members of the society shall be limited to the share capital subscribed by them.

4. The capital of the society shall for the present be Rs. 500 made up of 500 shares of Re. 1 each. The value of each share shall be paid in one lump sum on allotment.

5. Any person over eighteen years of age who is competent to contract residing within the limits referred to in the third sentence of by-law 1 and being a member of the agricultural credit society shall be eligible for admission as a member; but no person can claim admission as a matter of right.

6. Applications for admission as members and for allotment of shares shall be made to the secretary in the form, if any, prescribed by the society for the purpose. Every such application shall be disposed of by the board of directors who shall have power to grant admission or to refuse it without assigning reasons.

7. Every member shall take at least one share, but no member shall take more than ten shares. Every member shall pay an entrance fee of 4 annas for each share taken by him at the time of taking the share provided that the total payment of entrance fees by any one member for all the shares held by him shall not exceed Re. 1.

8. No member shall be permitted to withdraw any of the shares held by him in the society within three years after the date when such shares were taken by him. But a member may withdraw shares with the consent of the board of directors after such period provided firstly that he has given at least six months' notice of withdrawal, secondly that the total amount of share capital that is permitted to be withdrawn in any one year does not exceed 10 per cent of the aggregate paid-up share capital of the society as it was on June 30th preceding, thirdly that there are no debts due from him to the society and fourthly that there are no debts due to the society in regard to which he has stood surety. When a member withdraws shares under this by-law, he shall be paid back the share capital actually paid by him with the dividend, declared, if any.

9. Should a member cease to be eligible for membership either on account of the removal of his residence from the limits prescribed in by-law 1 or for any other cause, the society shall remove his name from the list of members and shall pay back within a reasonable period to such member the share capital actually paid by him with the dividend declared, if any, after deducting therefrom the money, if any, due from him to the society either as principal debtor or as surety.

10. (1) If a member dies, his membership shall *ipso facto* cease.

(2) (*a*) Every member of the society may nominate any person to succeed, in the event of his death, to his share or interest in the society. Such nomination shall, in the event of his death, be given effect to by the society provided—

(i) the nomination was signed by the deceased in the presence of at least two witnesses attesting the same;

(ii) the nomination has been registered in the books of the society kept for the purpose; and

(iii) the person nominated shall have been admitted by the board of directors as a member of the society under by-law 6.

(*b*) In the event of there being no person nominated by the deceased member *who is qualified in accordance with the by-laws for membership of the society, the society shall transfer* the share or interest of the deceased member to *such person as may appear to the committee to be* the heir or legal representative of

the deceased or to any person nominated by such nominee, heir or legal representative within one month of the death of the deceased member, provided such heir or legal representative or nominee shall have been admitted by the committee as a member of the society under by-law 6.

(*c*) In the event of there being no person *qualified* to succeed under clause (*a*) or (*b*) of this by-law to the share or interest of a deceased member, the society shall pay to the nominee of the deceased or to the heir or legal representative as the case may be, a sum representing the deceased member's share or interest at the time of his death, ascertained in accordance with the by-laws of the society.

(3) Subject as aforesaid, the society may pay all other moneys due to the deceased member from the society, to the person nominated by him in accordance with clause (2) (*a*) of this by-law or to such person as may appear to the committee to be the heir or legal representative of the deceased member, as the case may be.

11. (1) A past member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date when he ceased to be a member, for a period of two years from such date.

(2) The estate of a deceased member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date of his decease, for a period of two years after his decease.

12. No member shall be permitted to transfer his share or shares or create a charge in respect of the same in favour of another member or person except with the previous sanction of the board of directors.

13. With the sanction of the board of directors a member may at any time increase the number of shares held by him so as not to exceed the limit of ten shares laid down in by-law 7.

Borrowings.

14. It shall be competent to the Board of Directors to borrow funds either from members, or from persons other than members, or from institutions registered under the Indian Companies Act or under the Co-operative Societies Act or Government, provided that the interest payable on the borrowed amount shall not, in any case, exceed $8\frac{1}{2}$ per cent per annum.

Maximum borrowing limit.

15. The total borrowings of the society both by way of deposits or otherwise and whether from members or others shall not at any time exceed eight times the paid-up share capital *plus* the reserve fund.

Management.

16. Subject to such resolutions as the general body may from time to time pass, the executive management of the affairs of the society shall vest in a Board of Directors. The Board of Directors shall consist of not more than five members.

17. The members of the Board of Directors shall be elected by the general body for a period of one year from among the members. Members of the Board of Directors shall continue in office after the expiry of their term of office, until by election another board is constituted. A retiring member of the Board of Directors shall be eligible for re-election. After the Board of Directors is elected by the general body, they shall elect from among themselves a president and a secretary. Interim vacancies on the Board of Directors may be filled up by the remaining members of the Board by co-option for the unexpired portion of the period. Any member or members of the Board of Directors may at any time be removed by a resolution of the general body.

18. The Board of Directors shall meet once a fortnight or oftener if necessary to conduct the affairs of the society. No decision of the Board of Directors shall be valid unless it is passed by at least four members. All questions before the Board of Directors shall be decided by a majority of votes. Should there be an equality of votes, the president or other presiding member shall have a casting vote. No member of the Board of Directors shall be present at a meeting of the Board when any matter in which he is personally interested is being discussed. In case of urgency where there may not be sufficient time to convene a meeting of the Board of Directors and in all cases in which such a procedure may, from time to time, be prescribed by the Board of Directors, the Secretary may obtain the orders of the Board of Directors by circulation of papers among the members present at the headquarters of the society. Such decisions arrived at by circulation shall be placed before the next meeting of the Board of Directors for their ratification. Should a difference of opinion arise in the course of such circulation, the matter shall not be decided by circulation but shall be placed before a meeting of the Board of Directors.

19. Should a member of the Board of Directors absent himself from four consecutive meetings of the Board, he shall cease to be a member of the Board of Directors but may be reinstated by the Board of Directors.

20. Subject to such resolutions as the Board of Directors may from time to time pass, the several officers of the society shall have the powers mentioned below:—

(*a*) The president shall have a general control over all the affairs of the society and shall ex officio be the treasurer and shall have the custody of all the properties of the society.

He shall also have power to appoint the members of the establishment as well as to fine, suspend or dismiss them subject in the last two cases to the approval of the Board of Directors;

(b) the secretary shall be responsible for the executive administration of the society subject to the control of the president; and

(c) the president shall be the officer to sue or be sued on behalf of the society and all bonds in favour of the society shall be in the name of the president.

21. Receipts shall be issued for all moneys paid to the society. For moneys paid by members the receipt shall be signed by the president or the secretary whoever is selected by the Board of Directors to discharge this function. In the case of borrowings from non-members or from other societies, the receipt or bond shall be executed by at least three members of the Board of Directors of whom the Secretary or the president shall be one.

22. It shall be the duty of the Board of Directors to maintain such accounts and registers as are prescribed by Rule V of the rules under the Act and by the Registrar from time to time, to place before a general body meeting of the members the Registrar's notes of audit or inspection within one month from the date of receipt, to correspond with the Registrar and to do all other business relating to the society.

23. The Board of Directors shall have power to prescribe from time to time the scale of office establishment and to incur such expenditure as may be necessary for the management of the society with reference to the scale and within the budget allotment sanctioned by the general body for each year.

24. The Board of Directors shall be competent to fix the amount and nature of the security, if any, to be given by the office establishment.

25. It shall be competent to the Board of Directors to frame subsidiary by-laws for the conduct of the business of the society consistent with the Act, the rules under the Act and these by-laws. Such subsidiary by-laws shall be entered in the minute book of the society and they shall be reported to the Registrar of Co-operative Societies for approval.

26. The services of the members of the Board of Directors shall be gratuitous.

General body.

27. The ultimate authority in all matters relating to the administration of the society shall be the general body of the members who shall meet from time to time and at least once a

year to conduct the work of the society. The following among other matters shall be dealt with by the general body:—

(1) the election and removal of the Board of Directors;
(2) the annual report due to the Registrar of Co-operative Societies;
(3) the Registrar's annual audit order;
(4) the amendment or repeal of any existing by-law or the enactment of a new by-law;
(5) the expulsion of a member;
(6) the consideration of any complaint which any individual member may prefer against the Board of Directors;
(7) the returns that may be prescribed by the Local Government; and
(8) the passing of the annual budget.

27A. The general body shall not interfere with the action of the Board of Directors in respect of matters specifically delegated to it under the by-laws:

28. A meeting of the general body of the members may be convened, whenever necessary for the conduct of the business by the Board of Directors and shall be so convened by the Board of Directors at the request of 15 or more members or at the instance of the Registrar or by a member of the governing body specially deputed by a resolution of the governing body of the union to which the society is affiliated.

29. It shall be the duty of every member to attend the meetings of the general body. The quorum for a general body meeting shall be 15 or one-fourth of the total number of members on the list at the time, whichever is less.

30. The president, when present, shall preside at the meetings of the general body. In his absence the body may choose a chairman from their number to preside at the meeting. Every member present shall have one and only one vote. All questions shall be decided by a majority of votes of the members present and voting. When votes are equal, the chairman of the meeting shall have a casting vote.

31. days' notice shall ordinarily be given to members before a meeting of the general body is convened.

32. If a member deceives the society in any way, or if his general conduct is such as to render his removal necessary in the interest of the society, it shall be open to the general body to expel such member. An expelled member shall be paid all moneys due to him from the society after deducting therefrom any money due from him to the society. A member who drives the society to court to recover the money due from him shall, for that reason, be expelled from membership. An expelled member shall be liable, as provided in by-law 3, for the debts due by the society as they stood on the date of his expulsion, for a period of two years after such expulsion.

33. The general body shall have authority to affiliate the society to any co-operative union (with suitable jurisdiction) that may be registered by the Registrar or that is working in the neighbourhood of the society. Towards the expenses of such union the society shall contribute at the rate of 8 annas for every 10 $\frac{15}{16}$ of interest earned by it in the preceding year on its working capital *minus* the share capital, and the reserve fund provided that the total amount payable on this account in any one year shall not exceed Rs. 150.

Insurance.

34. Any member can offer for insurance in the society any cattle owned by him including buffaloes above one year and less than eight years.

35. No member shall at any time have more than ten animals insured or more than one animal for each share taken by him.

36. (*a*) The member shall declare the true value of the animal in the application for insurance which shall be in the Form A appended.

(*b*) The description and the value of the animal in the application shall be verified by the Board of Directors and if a majority of them is satisfied with the proposal they may accept the premium.

(*c*) As soon as possible a veterinary assistant shall certify to the health and description. In the event of his refusal to certify the animal as sound in health, the premium shall at once be remitted in full.

(*d*) The fees to the veterinary assistant for certifying to the health and description of the animal insured shall be paid by the owner of the animal.

37. The insurance will cover only two-thirds of the actual value.

38. A member may transfer to the purchaser without extra charge the policy of an insured animal which he has sold, provided the purchaser is also a member of the society.

39. The insurance shall be only for one year at a time. But the Board of Directors may, if they see fit, call for a fresh veterinary certificate in the case of animals brought for re-insurance.

40. Animals newly purchased shall not be accepted for insurance until they have been for at least one month in the possession of the owner.

41. The rate of premium shall for the present be 1 anna per rupee on the sum insured for male animals and 1½ anna for female animals. The premium amount shall be paid in lump before the policy is accepted. The period of insurance will run from the date of such payment. A policy in Form B shall be issued when the insurance is accepted and completed.

Rebates.

42. (*a*) A rebate of 3 pies per rupee on the insured amount will be allowed on all castrated (not mulled) bulls with effect from three months after the date of operation.

(*b*) A further rebate of 3 pies per rupee on the insured amount will be allowed on all animals protected against rinderpest by the 'serum simultaneous' method.

43. Premium will not be repaid nor will any claim for indemnity be accepted if the animal is sold before the end of the period of insurance or is removed permanently from the village and not available for inspection by members of the Board of Directors.

44. When an insured animal dies, the member shall report the death immediately to the Board of Directors who should inspect the carcass and record a certificate in Form C before it is ordered to be flayed.

45. The society will, subject to the conditions in by-laws, pay the indemnity covered by the policy in case of deaths from all causes except—

(*a*) from improper use or wilful neglect;
(*b*) from the act of a third party for which he is legally liable to compensate the owner;
(*c*) from wilful failure to obtain or carry out the advice of a veterinary assistant;
(*d*) from those happening through riot, civil commotion or military or usurped power;
(*e*) from transit by rail; and
(*f*) from any surgical operation unless carried out by the veterinary assistant or with the consent of a director other than the owner.

Note to (*b*).—In cases of suspected poisoning the confirmation must be obtained from a Chemical Examiner through a certificate. Otherwise the indemnity will be paid to the holder of the policy.

46. In the case of any contagious disease occurring amongst any animal belonging to a member, whether it has been insured or not, he shall at once inform the Board of Directors and segregate the diseased cattle, whether insured or not. The Board of Directors shall report the occurrence to the veterinary assistant and secure his services to deal with the diseased promptly. The member shall be bound to have his cattle, whether insured or not, inoculated if he is so advised by the Veterinary Assistant. If he fails to do so, no indemnity will be paid.

Note.—The contagious diseases referred to in this by-law are rinderpest, anthrax, malignant sore-throat, black quarter or quarter evil, epizootic aptha.

47. Before indemnity can be paid, the member is bound to hand over the hide and the bones of the deceased animal to the society. He has no claim for any portion of the sale-proceeds

of the hide and bones, the whole of which shall be credited to the society. If any hide is spoiled, the indemnity will be reduced by such an amount as the Board of Directors may decide. If the hides and bones are not produced or the policy amount is not claimed within a fortnight of the death of the animal, the policy will be held to have been forfeited. If, on any account, beyond the control of the member the hide and bones are lost, it shall be open to the Board of Directors to pay a sum not more than half the amount of the policy.

48. The indemnity for a deceased insured animal should be paid to the policy-holder as promptly as possible after the death of the animal is proved from the funds of the society or by borrowing under by-law 14. The amount so paid should be recouped from the amount of premium received in the year and the sale-proceeds of the bones and hide of the deceased insured animal for which indemnity was paid during the year. The balance, if any, left out of these sums after such a recoupment, should be carried to the profits of the year. In case the total amount got from these two sources is found to be insufficient to recoup the amount of indemnities paid in the year, the deficit shall be met by drawing from the indemnity fund of the society formed and accumulated under by-law 50. If the deficit is not made good completely even after drawing from the entire balance of the fund at the disposal of the society in that year, the excess should be adjusted from the sums which may be available for indemnity fund under by-law 50 out of the profits of the succeeding years. But attempts should be made to wipe off the deficit which has to be so carried forward by grants from Government or by donations from members and other sympathisers.

49. It shall be competent to the Board of Directors to undertake the joint sale of the bones and hides of members at their request, but in undertaking such sales it shall accept no liability for loss and shall act merely as the agent of members.

Profits.

50. Twenty-five per cent of the net profits of the society as declared by the Registrar every year shall be—

(i) carried to the credit of the reserve fund;

(ii) out of the remainder 10 per cent may be paid as honorarium to the Secretary;

(iii) out of the balance, a dividened on the paid-up share capital may be paid to members at a rate not exceeding $6\frac{1}{4}$ per cent per annum;

(iv) out of the balance, if any, a sum not exceeding 25 per cent of the premium received during the year may be set apart for being utilized for the grant of rebate to such members who reinsure the same animals in the next year. provided that the rebate so allowed is not more than 3 pies for an anna of the premium payable for the first

reinsurance and 6 pies in an anna of the premium for the subsequent reinsurance of the same animal by the same member. Any balance not appropriated out of the sum so set apart before the close of the next year shall be added to the indemnity fund under clause (vi) infra;

(v) out of the balance still left, if any, $7\frac{1}{2}$ per cent may be paid to the common good fund to be utilized for any of the purposes mentioned in section 2 of Act VI of 1890 India, viz., medical relief to cattle, if the general body so wish; and

(vi) the entire balance that may still be left shall be added to the indemnity fund. This indemnity fund shall be augmented by grant from Government and donations from members and sympathisers. The entire balance of this fund will be invested in a suitable co-operative society and interest accrued then being added to the fund from time to time.

Reserve fund.

51. The reserve fund shall be invested in such manner as the Registrar of Co-operative Societies prescribes. The fund shall be one and indivisible. It belongs to the society as a whole and is intended to meet unforeseen losses. No member can claim a specified share in it. It shall not be drawn upon except with the sanction of the Registrar. Even if the society be dissolved, the reserve fund, if not absorbed by losses, shall not be divided amongst its members, but shall be devoted to some public purpose at the discretion of the general body.

Miscellaneous.

52. No amendment to, alteration in, or cancellation of, a by-law nor the enactment of a new by-law shall be made except at a general meeting of the members or shall take effect until it shall have been approved by the Registrar.

53. Should any doubt arise as to the construction of the Act or any by-law, the Board of Directors shall refer the same to the Registrar of Co-operative Societies for advice and act according to his advice.

54. Within fifteen days after the close of the co-operative year ending June 30th, the society shall prepare, (1) a statement showing the receipts and disbursements during the past year; (2) a statement showing the assets and liabilities as they stood on the last day of such year; and (3) a statement showing the profit and loss for the year. These three statements shall be submitted to the Registrar without delay. After the Registrar has verified these three statements and granted his audit certificate, the society shall publish the statements in a manner approved of by the Registrar.

55. In the case of a dispute touching the business of the society between members or past members of the society, or

persons claiming through a member or past member or between a member or past member or persons so claiming and the Board of Directors, a reference in writing may be made by any party to the Registrar. Similarly, in the case of a dispute relating to a debt due to the society by a member or past member or persons claiming through a member or past member, a reference in writing may be made by either party to the Registrar. The Registrar shall have power, on receipt of such reference, either to decide the dispute himself or refer it to an arbitrator appointed by him or to several arbitrators of whom one shall be appointed by him and one other by each of the parties to the dispute. The decision or award of the Registrar or of the arbitrator or arbitrators, as the case may be, shall be final and it may be enforced in either of these ways—

(*a*) by an application made to the Collector of the district through the Registrar of Co-operative Societies requesting that the amounts due under the decision or award may be recovered in the same manner as arrears of land revenue;

(*b*) by an application to the civil court having jurisdiction over the subject-matter of the decision or award requesting that the court may enforce the decision or award as it were a decree of the court; and

(*c*) by an application to the Registrar of the district under section 57-A of the Madras Co-operative Societies Act, VI of 1932.

56. Should any sum belonging to the society be either stolen or otherwise lost and found irrecoverable it shall be open to the general body to write off such amounts after obtaining the sanction of the Registrar.

FORM A.

Application for insurance of cattle in Co-operative Cattle Insurance Society.

I, , member No. of the said society, request that my animal described below may be insured in the society. I declare that the description and the value thereof is quite true. If my statement is found to be untrue, I shall be liable not only for the loss, if any, to the society but also for prosecution.

Bullock or buffalo.	Age.		Value.	Whether in sound condition.	Value applied for insurance.
	Description by teeth.	Years.			
(1)	(2)	(3)	(4)	(5)	(6)

STATION

Date (Signature of the member.)

We, the undersigned members of the Board of Directors of the above society, certify that we have examined the animal above stated and declare to the best of our knowledge that the animal is in sound condition and it may be insured on the value of Rs. which we think is the fair price for it.

(Signature of the members of the Board of Directors.) { 1
2
3
4
5

STATION

Date

Certified that I examined the animal and I consider that the animal is (sound in health / not good or weak / passable) and the value taken for insurance is high and it should have been assessed at Rs.

STATION *Veterinary Assistant.*

Date

FORM B.

Insurance policy granted to M.R.Ry.

Village——————

Policy No.——————

The Insurance society hereby grants this policy for your animal of following description:—

Bullock or buffalo. (1)	Colour. (2)	Value. (3)	Amount insured. (4)	Insurance premium paid for the year ending with (5)

We bind ourselves to pay you the abovesaid insured amount subject to the provisions of the society's by-laws.

Date

(Seal)

(Signature of the President and the members of the Board of Directors.)

FORM C.

Certificate of death of animal.

We, the undersigned members of the Board of Directors, do hereby certify that the undermentioned statement for the animal for which the insurance is claimed by
is quite true.

Bullock or buffalo. (1)	Colour. (2)	Year insured. (3)	Amount insured for. (4)	Policy number. (5)	Date of death. (6)	Cause of death. (7)

We declare that the death is not due to any fault of the owner and we hold ourselves responsible for any loss the society may suffer if it be proved that this certificate is not true.

Date

Witness (who must be a member of the society)

(Signature of Board of Directors.)

NOTE.—If cattle die from a contagious disease the Secretary will ascertain whether it was at once reported and he will countersign the certificate as follows:—

Contagious disease was $\frac{\text{duly reported on} \quad \text{date}}{\text{not at all reported.}}$

Secretary.

BY-LAWS OF THE AGRICULTURAL DEMONSTRATION CO-OPERATIVE SOCIETY, LIMITED, No. .

Name, constitution and address.

The Agricultural Demonstration Co-operative Society, Limited, No. , is registered as a co-operative society under Act VI of 1932 (Madras). Its address shall be village, post, in the taluk of in the district. Its operations shall be confined to

Objects.

2. The objects of the society shall be—

(1) to act as agent for the purchase of seed, manure, implements and other agricultural requisites of the members;

(2) to disseminate among the members a knowledge of the latest improvements in agriculture by actual demonstration carried out according to the advice of the Agricultural Department, Madras. For this purpose it shall be competent for the society to acquire, purchase or obtain on lease a plot or plots of land from Government or from others; and

(3) to take up such other work as may be conducive to the agricultural advancement and prosperity of the members;

(4) to carry out the above object it shall be competent for the society to raise money from members either by way of shares or otherwise.

3. The liability of the members of the society shall be limited to the share capital subscribed by them.

4. The capital of the society shall be Rs. made up of shares of Rs. each. The value of each share shall be paid either in one lump sum on allotment or in instalments as calls are made by the Board of Directors who shall be competent to frame subsidiary by-laws in regard to this.

5. Any person over eighteen years of age who is competent to contract residing and any primary co-operative society working, within the limits referred to in the third sentence of by-law 1 shall be eligible for admission as a member; but no person or society shall claim admission as a matter of right.

6. Applications for admission as members and for allotment of shares shall be made to the Secretary in the form, if any, prescribed by the society for the purpose. Every such application

shall be disposed of by the Board of Directors who shall have power to grant admission or to refuse it without assigning reasons.

7. Every member shall take at least one share, but no member shall take more than   shares. Every member shall pay an entrance fee of   annas for each share taken by him at the time of taking the share provided that the total payment of entrance fees by any one member for all the shares held by him shall not exceed Rs.   .

8. No member shall be permitted to withdraw any of the shares held by him in the society but he may transfer his share or shares to any other member or person whom the Board of Directors are willing to admit as a member provided that the transfer of a share shall not be operative unless and until it is sanctioned by the Board of Directors. No member of the society shall be allowed to withdraw any of its shares or transfer them to any other member or person. In the event of dissolution of such society the share capital held by it, shall be refunded in accordance with the orders of the Registrar.

9. Should a member cease to be eligible for membership either on account of the removal of his residence from the limits prescribed in by-law 1 or for any other cause, the society shall permit him to transfer his share or shares under the by-laws. He will continue to be a member till the transfer is effected.

10. (1) If a member dies, his membership shall *ipso facto* cease.

(2) (*a*) Every member of the society may nominate any person to succeed, in the event of his death, to his share or interest in the society. Such nomination shall, in the event of his death, be given effect to by the society provided—

(i) the nomination was signed by the deceased in the presence of at least two witnesses attesting the same;

(ii) the nomination has been registered in the books of the society kept for the purpose; and

(iii) the person nominated shall have been admitted by the Board of Directors as a member of the society under by-law 6.

(*b*) In the event of there being no person nominated by the deceased member *who is qualified in accordance with the by-laws for membership of the society, the society shall transfer* the share or interest of the deceased member to *such person as may appear to the committee to be* the heir or legal representative or the deceased or to any person nominated by such nominee, heir or legal representative within one month of the death of the deceased member, provided such heir or legal representative or nominee shall have been admitted by the committee as a member of the society under by-law 6.

(*c*) In the event of there being no person *qualified* to succeed under clause (*a*) or (*b*) of this by-law to the share or interest of a deceased member, the society shall pay to the nominee of the deceased or to the heir or legal representative as the case may be, a sum representing the deceased members' share or interest at the time of his death, ascertained in accordance with the by-laws of the society.

(3) Subject as aforesaid, the society may pay all other moneys due to the deceased member from the society, to the person nominated by him in accordance with clause (2) (*a*) of this by-law or to such person as may appear to the committee to be the heir or legal representative of the deceased member, as the case may be.

11. (1) A past member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date when he ceased to be a member, for a period of two years from such date.

(2) The estate of a deceased member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date of his decease, for a period of two years after his decease.

12. With the sanction of the Board of Directors a member may at any time increase the number of shares held by him so as not to exceed the limit of shares laid down in by-law 7.

13. The society shall not borrow money either in the shape of deposits or otherwise either from other co-operative societies or persons who are not members of the society. All the money required to meet capital expenditure, e.g., for the purchase of land, digging of wells or reclaiming land, or the purchase of costly implements or cattle, etc., shall be raised in the shape of share capital only. Where there is, however, a likelihood of delay in collecting the requisite share capital, the Board of Directors shall be competent to raise temporary deposits or other borrowings from members which shall be repaid at the earliest opportunity out of the share capital collected. The deposits or borrowings so raised shall not at any time exceed twice the paid-up share capital and the reserve fund of the society. The money required to meet current expenses such as the purchase of seed, manure, implements for use in the demonstration plots of the society, the feeding of the cattle owned by the society, cultivation charges, etc., incurred shall be met either from share capital or deposits or other borrowings taken either from members or others or contribution levied from members. The total amount raised for this purpose shall not at any time exceed the paid-up share capital and the reserve fund of the society. The terms on which such borrowings shall be raised shall be decided by the Board of Directors.

13A. It shall be competent for the Board of Directors to borrow any amount required to meet any urgent demands of the

society on the security of any grain or other produce owned by the society by pledging the same with any co-operative loan and sale society in the vicinity on such conditions as they deem fit.

Management.

14. Subject to such resolutions as the general body may from time to time pass, the executive management of the affairs of the society shall vest in a Board of Directors. The Board of Directors shall consist of not more than members.

15. The members of the Board of Directors shall be elected by the general body for a period of two years from among the members. Members of the Board of Directors shall continue in office after the expiry of their term of office, until by election another Board is constituted. A retiring member of the Board of Directors shall be eligible for re-election. After the Board of Directors is elected by the general body, they shall elect from among themselves a President, a Secretary and an Assistant Secretary. Interim vacancies on the Board of Directors may be filled up by the remaining members of the Board by co-optation for the unexpired portion of the period. Any member or members of the Board of Directors may at any time be removed by a resolution of the general body.

16. The Board of Directors shall meet once a fortnight or oftener if necessary to conduct the affairs of the society. No decision of the Board of Directors shall be valid unless it is assented to by at least members. Should there be an equality of votes, the President or other presiding member shall have a casting vote. No member of the Board of Directors shall be present at a meeting of the Board when any matter in which he is personally interested is being discussed.

17. Should a member of the Board of Directors absent himself from four consecutive meetings of the Board, he shall cease to be a member of the Board of Directors but may be reinstated by the Board of Directors.

18. Subject to such resolutions as the Board of Directors may from time to time pass the several officers of the society shall have the powers mentioned below:—

(*a*) the President shall have a general control over all the affairs of the society and shall ex-officio be the Treasurer and shall have the custody of all the properties of the society. He shall also have power to appoint the members of the establishment as well as to fine, suspend or dismiss them subject in the last two cases to the approval of the Board of Directors;

(*b*) the Secretary shall be responsible for the executive administration of the society subject to the control of the President.

(*c*) the $\frac{\text{Secretary}}{\text{President}}$ shall be the officer to sue or be sued on behalf of the society and all bonds in favour of the society shall be in the name of the $\frac{\text{Secretary}}{\text{President}}$;

(*d*) the Assistant Secretary shall help the Secretary. Should the Secretary or the Assistant Secretary require relief from work, it shall be competent to the President to grant such relief, making suitable arrangements for the conduct of work by one or more of the members of the Board of Directors.

19. Receipts shall be issued for all moneys paid to the society. For moneys paid by members the receipt shall be signed by the President or the Secretary or the Assistant Secretary whoever is selected by the Board of Directors to discharge this function. In the case of borrowings from non-members or from other societies, the receipt or bond shall be executed by at least members of the Board of Directors of whom the Secretary or the President shall be one.

20. It shall be the duty of the Board of Directors to maintain such accounts and registers as are prescribed by rule V of the rules under the Act and by the Registrar from time to time, to place before a general body meeting of the members the Registrar's notes of audit or inspection within one month from the date of receipt, to correspond with the Registrar and to do all other business relating to the society.

21. The Board of Directors shall have power to prescribe from time to time the scale of office establishment and to incur such expenditure as may be necessary for the management of the society with reference to the scale and within the budget allotment sanctioned by the general body for each year. It shall be competent to the Secretary to incur petty contingent expenditure subject to a maximum of Re. 1 for any item.

22. The Board of Directors shall be competent to fix the amount and nature of security, if any, to be given by the office establishment.

23. It shall be competent to the Board of Directors to frame subsidiary by-laws for the conduct of the business of the society consistent with the Act, the rules under the Act and these by-laws. Such subsidiary by-laws shall be entered in the minute book of the society and they shall be reported to the Registrar of Cooperative Societies for approval.

24. The services of the members of the Board of Directors shall be gratuitous.

General body.

25. The ultimate authority in all matters relating to the administration of the society shall be the general body of the members who shall meet from time to time and at least once a

year to conduct the work of the society. The following among other matters shall be dealt with by the general body:—

(1) the election and removal of the Board of Directors;

(2) the annual report due to the Registrar of Co-operative Societies;

(3) the Registrar's annual audit certificate;

(4) the amendment or repeal of any existing by-law or the enactment of a new by-law;

(5) the expulsion of a member;

(6) the consideration of any complaint which any individual member may prefer against the Board of Directors;

(7) the returns that may be prescribed by the Local Government;

(8) the consideration of the statement of accounts submitted by the Board of Directors, relating to expenditure on cultivation, etc.; and

(9) the annual budget of the society.

The general body shall not however interfere with the action of the Board of Management in respect of matters delegated to it under the by-laws.

26. A meeting of the general body of the members may be convened whenever necessary, for the conduct of the business by the Board of Directors and shall be so convened by the Board of Directors at the request of 15 or more members or at the instance of the Registrar.

27. It shall be the duty of every member to attend the meetings of the general body. The quorum for a general body meeting shall be   or one-fourth of the total number of members on the list at the time whichever is less.

28. The President, when present, shall preside at the meetings of the general body. In his absence the body may choose a chairman from their number to preside at the meeting. Every member present shall have one and only one vote. All questions shall be decided by a majority of votes of the members present and voting. When votes are equal, the chairman of the meeting shall have a casting vote.

29.   days' notice shall ordinarily be given to members before a meeting of the general body is convened.

30. If a member deceives the society in any way, or if his general conduct is such as to render his removal necessary in the interests of the society, it shall be open to the general body to expel such member. An expelled member shall not be entitled to the refund of share capital actually paid by him until the shares held by him are transferred to another under by-law 8. A member who drives the society to Court to recover the money due from him shall, for that reason, be expelled from membership. An expelled

member shall be liable, as provided in by-law 3 for the debts due by the society as they stood on the date of his expulsion, for a period of two years after such expulsion.

Business of the society.

31. It shall be competent for the Board of Directors for the purpose of carrying out the objects of the society to purchase or acquire lands on such terms and conditions as may be prescribed in subsidiary rules to be framed for the purpose and to demonstrate on such lands the advantages of improved methods of cultivation such as economic planting of paddy versus bunch planting, deep ploughing versus shallow ploughing (with country ploughs), phosphatic manure versus local manure, selected seed versus local seeds, etc. The initial cost of such demonstration work shall as already stated in by-law 13 be met from the share capital of the society. The recurring expenses shall be met from contributions, which it shall be competent to the Board of Directors to levy from time to time from the members on a scale approved of by the general body or from borrowings as provided in by-law 13. Contributions levied under this by-law shall be debts due to the society and shall be recoverable as such. If any member fails to pay the contributions levied under this by-law within the time prescribed, he makes himself liable to expulsion and the Board of Directors shall be at liberty to transfer his share or shares to any other member or society as provided in by-law 8.

Joint purchase.

31A. The Board of Directors may purchase wholesale the agricultural requirements of the members such as seed, manure, implements, etc., but in making such a purchase they shall act only as the agent of the members and shall accept no liability for any loss occurring in the transactions. Accounts showing these transactions shall be maintained in such forms as the Registrar may prescribe. Subsidiary by-laws may be framed by the Board of Directors for the purposes of these purchases subject to their approval by the Registrar.

Profits.

32. (1) Twenty-five per cent of the net profits of the society as declared by the Registrar every year shall be carried to the credit of the reserve fund;

(2) out of the remainder, a dividend subject to a maximum of 9 per cent per annum on the paid-up value of each share may be paid to members proportionately to the amount of paid-up share capital held by each and also to the period during which the paid-up share capital was so held during the year;

(3) an honorarium not exceeding 12½ per cent of the net profits subject to a maximum of Rs. may be paid to the Secretary or/and Assistant Secretary who attend to the day to day administration of the society; and

(4) any profits not allotted in the manner aforesaid in any year shall be forthwith added to the reserve fund.

All undisbursable and indivisible profit shall be added to the reserve fund.

Reserve fund.

33. (1) The reserve fund shall belong to the society as a whole and is intended to meet unforeseen losses. No member can claim a share in it. It shall be invested in such manner as the Registrar of Co-operative Societies prescribes and shall not be drawn upon except with his sanction.

(2) On the dissolution of the society the reserve fund and other funds contributed by it under provisions of its by-laws shall be applied—

(i) to discharging such liabilities of the society as may remain undischarged after the enforcement in full of the liability of the members of the society;

(ii) to the repayment of the share capital paid-up; and

(iii) to the payment of dividend upon such share capital at a rate not exceeding 9 per cent per annum for any period or periods for which no dividend has been paid.

(3) Such portion of these funds as shall remain after payments mentioned in sub-clause (2) shall be applied to such local objects of public utility as may be selected by the general body and approved of by the Registrar. If within three months of the final closing up of the society the general body fails to make any selection that is approved of by the Registrar, the latter may use the abovementioned portion of the funds in supporting other co-operative societies in the neighbourhood or shall place the same on interest or otherwise with some co-operative bank until a new co-operative society with a similar area of operations is registered in which event the funds shall be credited to the reserve fund of such society.

33A. If, however, at any time the general body resolves to split the society into more than one society by excluding a portion of the existing area of operations from the operations of the society and a new society or societies be registered to cover the area so excluded, a portion of the reserve fund shall be transferred to the society or societies as decided upon by the general body which resolves upon the splitting of the original society.

34. No amendment to, alteration in, or cancellation of, a by-law nor the enactment of a new by-law shall be made except at a general meeting of the members or shall take effect until it shall have been approved by the Registrar.

Miscellaneous.

35. Should any doubt arise as to the construction of the Act or any by-law the Board of Directors shall refer the same to the

Registrar of Co-operative Societies for advice and act according to his advice.

36. The society shall prepare annually in such form as may be prescribed by the Registrar (*a*) a statement showing the receipts and disbursements for the year, (*b*) a profit and loss account, (*c*) a balance sheet and (*d*) such other statements as may be prescribed by the Registrar.

These statements shall be made up to 30th June and a copy of each shall be sent to the Registrar within fifteen days after the close of the co-operative year ending 30th June. After the Registrar has verified the statements and granted his audit certificate, the society shall publish such of the prescribed statements as he may direct in the manner prescribed by him.

37. In the case of a dispute touching the business of the society between members or past members of the society, or persons claiming through a member or past member or between a member or past member, or persons so claiming and the Board of Directors, a reference in writing may be made by any party to the Registrar. Similarly, in the case of a dispute relating to a debt due to the society by a member or past member or persons claiming through a member or past member, a reference in writing may be made by either party to the Registrar. The Registrar shall have power, on receipt of such reference either to decide the dispute himself or refer it to an arbitrator appointed by him or to several arbitrators of whom one shall be appointed by him and one other by each of the parties to the dispute. The decision or award of the Registrar or of the arbitrator or arbitrators as the case may be shall be final and it may be enforced in one of these ways—

(*a*) by an application made to the Collector of the district through the Registrar of Co-operative Societies requesting that the amount due under the decision or award may be recovered in the same manner as arrears of land revenue;

(*b*) by an application to the Civil Court having jurisdiction over the subject matter of the decision or award requesting that the Court may enforce the decision or award as if it were a decree of the Court; and

(*c*) by an application to the Registrar of the district under section 57-A of the Co-operative Societies Act.

38. Should any sum belonging to the society be either stolen or otherwise lost and found irrecoverable, it shall be open to the general body to write off such amounts after obtaining the sanction of the Registrar.

BY-LAWS OF THE AGRICULTURAL IMPROVEMENTS CO-OPERATIVE SOCIETY, LIMITED, No. .

Name, constitution and address.

The Agricultural Improvements Co-operative Society, Limited, No. , is registered as a co-operative society under Act VI of 1932 (Madras). Its address shall be village, post, in the taluk of in the district. Its operations shall be confined to

Objects.

2. The objects of the society shall be—

(1) to propagate and supply pure seeds;
(2) to find a sale for the produce of its members as their agent through a sale society, if one exists, to which the society is or can be affiliated or through its own efforts where there is no sale society;
(3) to disseminate among the members a knowledge of the latest improvements in agriculture by actual demonstration carried out by each individual member on his own land according to the advice of the Agricultural Department, Madras;
(4) to purchase seed, manure, implements and other agricultural requirements for sale or distribution to members or to other co-operative societies;
(5) to maintain a stud bull;
(6) to take up such other work as may be conducive to the agricultural advancement and prosperity of the members; and
(7) to carry out the above object it shall be competent for the society to raise money from members or others.

3. The liability of the members of the society shall be limited to the share capital subscribed by them.

4. The capital of the society shall be Rs. made up of shares of Rs. each. The value of each share shall be paid either in one lump sum on allotment or in instalments as calls are made by the Board of Directors who shall be competent to frame subsidiary by-laws in regard to this.

5. Any agriculturist over eighteen years of age who is competent to contract residing within the limits referred to in the third sentence of by-law 1 shall be eligible for admission as a member; but no person shall claim admission as a matter of right.

6. Applications for admission as members and for allotment of shares shall be made to the Secretary in the form, if any, prescribed by the society for the purpose. Every such application

shall be disposed of by the Board of Directors who shall have power to grant admission or to refuse it without assigning reasons.

7. Every member shall take at least one share, but no member shall take more than   shares. Every member shall pay an entrance fee of   annas for each share taken by him at the time of taking the share provided that the total payment of entrance fees by any one member for all the shares held by him shall not exceed Rs.   .

8. No member shall be permitted to withdraw any of the shares held by him in the society within   years after the date when such shares were taken by him. But a member may withdraw shares with the consent of the Board of Directors after such period provided firstly that he has given at least six months' notice of withdrawal, secondly that the total amount of share capital that is permitted to be withdrawn in any one year does not exceed 10 per cent of the aggregate paid-up share capital of the society as it was on June 30th preceding and thirdly that there are no debts due from him to the society. When a member withdraws shares under this by-law, he shall be paid back the share capital actually paid by him with the dividend declared, if any. The 10 per cent limit to which the withdrawal of share capital in any one year is restricted in this by-law shall cover all withdrawals except those made under by-laws 10 and 31.

9. Should a member cease to be eligible for or desire to withdraw from membership either on account of the removal of his residence from the limits prescribed in by-law 1 or for any other cause, the society may remove his name from the list of members and pay back within a reasonable period the sum of money representing his share or interest in the society deducting therefrom the money, if any, due from him to the society.

10. (1) If a member dies, his membership shall *ipso facto* cease.

(2) (*a*) Every member of the society may nominate any person to succeed, in the event of his death, to his share or interest in the society. Such nomination shall, in the event of his death, be given effect to by the society provided—

- (i) the nomination was signed by the deceased in the presence of at least two witnesses attesting the same;
- (ii) the nomination has been registered in the books of the society kept for the purpose; and
- (iii) the person nominated shall have been admitted by the Board of Directors as a member of the society under by-law 6.

(*b*) In the event of there being no person nominated by the deceased member *who is qualified in accordance with the by-laws for membership of the society, the society shall transfer* the share or interest of the deceased member to *such person as may*

appear to the committee to be the heir or legal representative or the deceased or to any person (nominated by such nominee, heir or legal representative) within one month of the death of the deceased member, provided such heir or legal representative or nominee shall have been admitted by the committee as a member of the society under by-law 6.

(*c*) In the event of there being no person *qualified* to succeed under clause (*a*) or (*b*) of this by-law to the share or interest of a deceased member, the society shall pay to the nominee of the deceased or to the heir or legal representative as the case may be, a sum representing the deceased members' share or interest at the time of his death, ascertained in accordance with the by-laws of the society.

(3) Subject as aforesaid, the society may pay all other moneys due to the deceased member from the society, to the person nominated by him in accordance with clause 2 (*a*) of this by-law or to such person as may appear to the committee to be the heir or legal representative of the deceased member, as the case may be.

11. (1) A past member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date when he ceased to be a member, for a period of two years from such date.

(2) The estate of a deceased member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date of his decease, for a period of two years after his decease.

12. With the sanction of the Board of Directors a member may at any time increase the number of shares held by him so as not to exceed the limit of   shares laid down in by-law 7.

13. It shall be competent to the Board of Directors to borrow funds otherwise than by way of deposits, either from members or from persons other than members, or from institutions registered under the Indian Companies Act or under the Co-operative Societies Act, provided that the interest payable on the borrowed amount shall not, in any case, exceed   per cent per annum, and provided also that the Board of Directors shall not receive any such loan unless it shall have been sanctioned by the governing body of the union to which the society is affiliated.

13A. It shall be competent for the Board of Directors to borrow any amount required to meet any urgent demands of the society on the security of any grain or other produce owned by the society by pledging the same with any co-operative loan and sale society in the vicinity on such conditions as they deem fit.

Maximum borrowing limit.

14. The total borrowings of the society both by way of deposits or otherwise and whether from members or others shall not at any

time exceed five times the paid up share capital plus the reserve fund.

Management.

15. Subject to such resolutions as the general body may from time to time pass, the executive management of the affairs of the society shall vest in a Board of Directors. The Board of Directors shall consist of not more than members.

16. The members of the Board of Directors shall be elected by the general body for a period of two years from among the members. Members of the Board of Directors shall continue in office after the expiry of their term of office, until by election another Board is constituted. A retiring member of the Board of Directors shall be eligible for re-election. After the Board of Directors is elected by the general body, they shall elect from among themselves a President, a Secretary and an Assistant Secretary. Interim vacancies on the Board of Directors may be filled up by the remaining members of the Board by co-optation for the un-expired portion of the period. Any member or members of the Board of Directors may at any time be removed by a resolution of the general body.

17. The Board of Directors shall meet once a fortnight or oftener if necessary to conduct the affairs of the society. No decision of the Board of Directors shall be valid unless it is assented to by at least members. Should there be an equality of votes, the President or other presiding member shall have a casting vote. No member of the Board of Directors shall be present at a meeting of the Board when any matter in which he is personally interested is being discussed.

18. Should a member of the Board of Directors absent himself from four consecutive meetings of the Board, he shall cease to be a member of the Board of Directors but may be reinstated by the Board of Directors.

19. Subject to such resolutions as the Board of Directors may from time to time pass the several officers of the society shall have the powers mentioned below:—

(*a*) the President shall have a general control over all the affairs of the society and shall ex-officio be the Treasurer and shall have the custody of all the properties of the society. He shall also have power to appoint the members of the establishment as well as to fine, suspend, or dismiss them subject in the last two cases to the approval of the Board of Directors;

(*b*) the Secretary shall be responsible for the executive administration of the society subject to the control of the President;

(*c*) the $\frac{\text{Secretary}}{\text{President}}$ shall be the officer to sue or be sued on behalf of the society and all bonds in favour of the society shall be in the name of the $\frac{\text{Secretary}}{\text{President}}$;

(*d*) the Assistant Secretary shall help the Secretary. Should the Secretary or the Assistant Secretary require relief from work, it shall be competent to the President to grant such relief, making suitable arrangements for the conduct of work by one or more of the members of the Board of Directors.

20. Receipts shall be issued for all moneys paid to the society. For moneys paid by members the receipt shall be signed by the President or the Secretary or the Assistant Secretary whoever is selected by the Board of Directors to discharge this function. In the case of borrowings from non-members or from other societies, the receipt or bond shall be executed by at least   members of the Board of Directors of whom the Secretary or the President shall be one.

21. It shall be the duty of the Board of Directors to maintain such accounts and registers as are prescribed by the rule V of the rules under the Act and by the Registrar from time to time, to place before a general body meeting of the members the Registrar's notes of audit or inspection within one month from the date of receipt, to correspond with the Registrar and to do all other business relating to the society.

22. The Board of Directors shall have power to prescribe from time to time the scale of office establishment and to incur such expenditure as may be necessary for the management of the society with reference to the scale and within the budget allotment sanctioned by the general body for each year. It shall be competent to the Secretary to incur petty contingent expenditure subject to a maximum of Re. 1 for any item.

23. The Board of Directors shall be competent to fix the amount and nature of security, if any, to be given by the office establishment.

24. It shall be competent to the Board of Directors to frame subsidiary by-laws for the conduct of the business of the society consistent with the Act, the rules under the Act and these by-laws. Such subsidiary by-laws shall be entered in the minute book of the society and they shall be reported to the Registrar of Co-operative Societies for approval.

25. The services of the members of the Board of Directors shall be gratuitous.

General body.

26. The ultimate authority in all matters relating to the administration of the society shall be the general body of the members who shall meet from time to time and at least once a year to conduct the work of the society. The following among other matters shall be dealt with by the general body:—

(i) the election and removal of the Board of Directors;
(ii) the annual report due to the Registrar of Co-operative Societies;

(iii) the Registrar's annual audit certificate;

(iv) the amendment or repeal of any existing by-law or the enactment of a new by-law;

(v) the expulsion of a member;

(vi) the consideration of any complaint which any individual member may prefer against the Board of Directors;

(vii) the returns that may be prescribed by the Local Government;

(viii) the consideration of the statement of accounts submitted by the Board of Directors, relating to expenditure on cattle, upkeep of groundnut, etc.; and

(ix) the annual budget of the society.

The general body shall not however, interfere with the action of the Board of management in respect of matters delegated to it under the by-laws.

27. A meeting of the general body of the members may be convened whenever necessary, for the conduct of the business by the Board of Directors and shall be so convened by the Board of Directors at the request of 15 or more members or at the instance of the Registrar.

28. It shall be the duty of every member to attend the meetings of the general body. The quorum for a general body meeting shall be   or one-fourth of the total number of members on the list at the time whichever is less.

29. The President, when present, shall preside at the meetings of the general body. In his absence the body may choose a chairman from their number to preside at the meeting. Every member present shall have one and only one vote. All questions shall be decided by a majority of votes of the members present and voting. When votes are equal, the chairman of the meeting shall have a casting vote.

30.   days' notice shall ordinarily be given to members before a meeting of the general body is convened.

31. If a member deceives the society in any way, or if his general conduct is such as to render his removal necessary in the interests of the society, it shall be open to the general body to expel such member. An expelled member shall be paid all moneys due to him from the society after deducting therefrom any money due from him to the society. A member who drives the society to Court to recover the money due from him shall, for that reason, be expelled from membership. An expelled member shall be liable, as provided in by-law 3 for the debts due by the society as they stood on the date of his expulsion, for a period of two years after such expulsion.

Supply of seeds.

32. The Board of Directors may arrange to demonstrate the advantage of improved method of cultivation in private lands of its members.

33. It shall be competent for the Board of Directors to obtain from the Agricultural Department improved strains of seed suitable for the locality and propagate such seed by distributing it to members on such terms and conditions as may be prescribed in subsidiary rules to be framed for the purpose and to take such other steps as are necessary to keep the seed produced pure for further distribution.

34. The Board of Directors may purchase the agricultural requirements of the members such as seed, manure, implements for sale or distribution to members. They can frame subsidiary by-laws regulating the purchase and sale subject however to their approval by the Registrar.

35. The Board of Directors shall arrange for the sale of the crops raised by the supply of pure seed by the society. In so arranging they shall merely act as the agent of the members and the society shall not be responsible for any loss which may be sustained in the transaction.

36. The transactions of the society shall be on the ready money system.

Ready money advances.

37. The Board of Directors may in the case of a member who undertakes to grow pure seed in accordance with the directions and advice of the Agricultural Department give ready money advances not exceeding three times his paid-up share capital for

(i) the purchase of seed, or manure or fodder for cattle and

(ii) meeting cultivation expenses.

Such advances shall bear interest at $1\frac{1}{2}$ pies per rupee per mensem and shall be recovered out of the sale proceeds of the crop raised by the supply of the seed by the society.

Profits.

38. (i) Twenty-five per cent of the net profits of the society, as declared by the Registrar every year shall be carried to the credit of the reserve fund;

(ii) out of the remainder, a dividend subject to a maximum of 9 per cent per annum on the paid-up value of each share capital held by each and also to the period during which the paid-up share capital was so held during the year;

(iii) a bonus on custom may be paid to members as decided at the general meeting in proportion to the value of work done by them either by way of purchase or sale with the society;

(iv) an honorarium not exceeding $12\frac{1}{2}$ per cent of the net profits subject to a maximum of Rs.   may be paid to the Secretary or Assistant Secretary or both who may attend to the day to day administration of the society; and

(v) any profits not allotted in the manner aforesaid in any year shall be forthwith added to the reserve fund.

NOTE.—All undisbursable and indivisible profit shall be added to the reserve fund.

Reserve fund.

39. (1) The reserve fund shall belong to the society as a whole and is intended to meet unforeseen losses. No member can claim a share in it. It shall be invested in such manner as the Registrar of Co-operative Societies prescribes.

(2) On the dissolution of the society the reserve fund and other funds contributed by it under provisions of its by-laws shall be applied

(i) to discharging such liabilities of the society as may remain undischarged after the enforcement in full of the liability of the members of the society,

(ii) to the repayment of the share-capital paid up, and

(iii) to the payment of dividend upon such share capital at a rate not exceeding 9 per cent per annum for any period or periods for which no dividend has been paid.

(3) Such portion of these funds as shall remain after payments mentioned in sub-clause (2) shall be applied to such local objects of public utility as may be selected by the general body and approved of by the Registrar. If within three months of the final closing up of the society the general body fails to make any selection that is approved of by the Registrar, the latter may use the abovementioned portion of the funds in supporting other co-operative societies in the neighbourhood or shall place the same on interest or otherwise with some co-operative bank until a new co-operative society with a similar area of operation is registered in which event the funds shall be credited to the reserve fund of such society.

39A. If, however, at any time the general body resolves to split the society into more than one society by excluding a portion of the existing area of operations from the operations of the society and a new society or societies be registered to cover the area so excluded, a portion of the reserve fund shall be transferred to the society or societies as decided upon by the general body which resolves upon the splitting of the original society.

40. No amendment to, alteration in, or cancellation of a by-law nor the enactment of a new by-law shall be made except at a general meeting of the members or shall take effect until it shall have been approved by the Registrar.

Miscellaneous.

41. Should any doubt arise as to the construction of the Act or any by-law, the Board of Directors shall refer the same to the Registrar of Co-operative Societies for advice and act according to his advice.

42. The society shall prepare annually in such form as may be prescribed by the Registrar (*a*) a statement showing the receipt and disbursements for the year, (*b*) a profit and loss account, (*c*) a balance sheet, and (*d*) such other statements as may be prescribed by the Registrar.

These statements shall be made up to 30th June and a copy of each shall be sent to the Registrar within fifteen days after the close of the co-operative year ending 30th June. After the Registrar has verified the statements and granted his audit certificate, the society shall publish such of the prescribed statements as he may direct in the manner prescribed by him.

43. In the case of a dispute touching the business of the society between members or past members of the society, or persons claiming through a member or past member or between a member or past member, or persons so claiming and the Board of Directors, a reference in writing may be made by any party to the Registrar. Similarly, in the case of a dispute relating to a debt due to the society by a member or past member or persons claiming through a member or past member, a reference in writing may be made by either party to the Registrar. The Registrar shall have power, on receipt of such reference either to decide the dispute himself or refer it to an arbitrator appointed by him or to several arbitrators of whom one shall be appointed by him and one other by each of the parties to the dispute. The decision or award of the Registrar or of the arbitrator or arbitrators as the case may be shall be final and it may be enforced in one of these ways.

(*a*) by an application made to the Collector of the district through the Registrar of Co-operative Societies requesting that the amount due under the decision or award may be recovered in the same manner as arrears of land revenue;

(*b*) by an application to the Civil Court having jurisdiction over the subject matter of the decision or award requesting that the Court may enforce the decision or award as if it were a decree of the Court;

(*c*) by an application to the Registrar of the District under section 57-A of the Act VI of 1932.

44. Should any sum belonging to the society be either stolen or otherwise lost and found irrecoverable, it shall be open to the general body to write off such amounts after obtaining the sanction of the Registrar.

BY-LAWS OF THE CO-OPERATIVE IRRIGATION SOCIETY, LIMITED, No. .

The Co-operative Irrigation Society, Limited, No. is registered as a co-operative society under Act VI of 1932 (Madras). Its address shall be post, in the taluk, in the district.

2. Its operations shall be confined to the limits of . The membership of the society may however be extended to persons having landed property situated within the area of operations of the society even though they may not be residents therein.

Objects.

3. The objects of the society shall be—

(1) to undertake the regulation, and supervision of the supply of water to members' lands in accordance with the mamul of the village from tank, supply channels and other water courses for the irrigation of members' lands,

(2) to keep the tanks, channels and water-courses in a state of good repair and to carry out works connected therewith,

(3) to post watchmen (i) to prevent cattle from straying into members' lands and damaging, (ii) to guard paddy heaps in the thrashing floor, (iii) to prevent the removal of the cattle dung and other manurial matter deposited in the members' lands,

(4) to hire or purchase, if necessary, modern appliances for the irrigation of the members' lands, and

(5) generally to do all such other things as are incidental or conducive to the above objects and as may be determined by the general body of members from time to time. These shall be achieved by encouraging thrift, self-help and co-operation among the members.

4. The liability of the members of the society shall be limited to the share capital subscribed by them.

5. The capital of the society shall for the present be Rs. made up of shares of Rs. each.

6. Any agriculturist over 18 years of age who owns or cultivates land in the area of operations referred to in by-law 1 and who is competent to contract shall be eligible for admission as a member. But no person can claim admission as a matter of right.

7. Applications for admission as members and for allotment of shares shall be made to the Secretary in the form, if any, prescribed by the society for the purpose. Every such application shall be disposed of by the Board of Directors who shall have power to grant admission or to refuse it without assigning reasons.

8. Every member shall take one share for land for which he requires water to be supplied by the society, but no member shall take more than shares.

Every member shall pay an entrance fee of one anna for each share taken by him at the time of taking the share and file a statement describing the extent of lands in which he is interested either as proprietor or his authorized agent or as tenant and shall also satisfy the Board of Management about such interest by the production of revenue records or other documents in support of his statement whichever is possible.

9. No member shall be permitted to withdraw any share or shares held by him.

10. (i) If a member dies his membership shall *ipso facto* cease.

(ii) (*a*) Every member of a society may nominate any person to succeed in the event of his death to his share or interest in the society. Such nomination shall in the event of his death be given effect to by the society provided—

(i) the nomination was signed by the deceased in the presence of at least two witnesses attesting the same,

(ii) the nomination has been registered in the books of the society kept for the purpose, and

(iii) the person nominated shall have been admitted by the Board of Management as a member of the society under by-law 6.

(*b*) In the event of there being no person nominated by the deceased member *who is qualified in accordance with the by-laws for membership of the society, the society shall transfer* the share or interest of the deceased member to *such person as may appear to the committee to be* the heir or legal representative or the deceased or to any person (nominated by such nominee, heir or legal representative within one month of the death of the deceased member, provided such heir or legal representative or nominee shall have been admitted by the committee as a member of the society under by-law 6.

(*c*) In the event of there being no person *qualified* to succeed under clause (*a*) or (*b*) of this by-law to the share or interest of a deceased member, the society shall pay to the nominee of the deceased or to the heir or legal representative as the case may be, a sum representing the deceased members' share or interest at the time of his death, ascertained in accordance with the by-laws of the society.

(3) Subject as aforesaid, the society may pay all other moneys due to the deceased member from the society, to the person nominated by him in accordance with clause (2) (*a*) of this by-law or to such person as may appear to the committee to be the heir or legal representative of the deceased member, as the case may be.

11. (i) A past member shall be liable as provided in by-law 4 for the debts due by the society as they existed on the date when he ceased to be a member for a period of two years from such date.

(ii) The estate of a deceased member shall be liable as provided in by-law 4 for the debts due by the society as they existed on the date of his decease for a period of two years after his decease.

12. No member shall be permitted to transfer his share or shares or create a change in respect of the same in favour of another member or persons except with the previous sanction of the Board of Management and unless such transfer is incidental to the transfer by the member of his interest in the lands in respect of which such share or shares were taken.

13. With the sanction of the Board of Management, a member may at any time increase the number of shares held by him so as not to exceed the limit of   shares laid down in by-law 8.

Funds.

14. The funds of the society may be raised in any or all of the following ways:—

(1) By entrance fees, (2) shares, (3) fixed deposits, (4) loans, and (5) donations and subscriptions.

Such funds may be invested by the Board of Management when not required for the immediate use of the society in a manner to be approved by the Registrar.

Fixed deposits.

15. (i) Fixed deposits may at the discretion of the Board of Management be received at any time from members and non-members. Fixed deposits from members shall be given preference to fixed deposits from non-members. No fixed deposits shall be received for a sum less than Rs. 5 or an exact multiple thereof and for a period less than six months. A fixed deposit is a deposit of fixed amount of money for a fixed period of time.

(ii) Interest shall ordinarily be calculated on fixed deposits at a rate not exceeding 6¼ per cent per annum. Should a fixed deposit from a member or from a co-operative society be made for a period of not less than one year, the deposit being not less than Rs. 100, interest may be paid thereon at a rate not exceeding 7½

per cent per annum. Interest on fixed deposit shall be paid yearly or at such shorter intervals as may have been agreed upon at the time of deposit.

(iii) The interest on a fixed deposit shall cease on the expiry of the period for which the deposit was made unless notice in writing of the intention to renew the deposit for a further period of not less than six months has been received in the office of the society before the expiry of the original period. The society is not however bound to renew a fixed deposit after the expiry of the period for which it was made but in case of such refusal interest shall be payable at the former rate until the date of such refusal.

Other borrowings.

16. It shall be competent to the Board of Management to borrow funds otherwise than by way of fixed deposits either from members or persons other than members or from institutions registered under the Indian Companies Act or under Co-operative Societies Act provided that the interest payable on the borrowed amount shall not in any case exceed 8 per cent per annum.

Maximum borrowing limit.

17. The total borrowings of the society by way of deposits or otherwise and whether from members or others shall not at any time exceed five times the paid-up share capital plus the reserve fund.

Management.

18. Subject to such resolutions as the general body may from time to time pass, the executive management of the affairs of the society shall vest in a Board of Directors. The Board of Directors shall consist of not more than members.

19. The members of the Board of Directors shall be elected by the general body for a period of years from among the members. Members of the Board of Directors shall continue in office after the expiry of their term of office until by election another Board is constituted. A retiring member of the Board of Directors shall be eligible for re-election. After the Board of Directors is elected by the general body, they shall elect from among themselves a President, a Secretary and an Assistant Secretary. Interim vacancies on the Board of Directors may be filled up by the remaining members of the Board by co-option for the unexpired portion of the period except in cases contemplated in by-law 23. Any member or members of the Board of Directors may at any time be removed by a resolution of the general body.

20. The Board of Directors shall meet once a fortnight or oftener, if necessary, to conduct the affairs of the society. No decision of the Board of Directors shall be valid unless it is assented to by at least members. All questions before the Board of Directors shall be decided by a majority of votes.

Should there be an equality of votes, the President or other presiding member shall have a casting vote. No member of the Board of Directors shall be present at a meeting of the Board when any matter in which he is personally interested is being discussed. In case of urgency where there may not be sufficient time to convene a meeting of the Board of Directors and in all cases in which such a procedure may from time to time be prescribed by the Board of Directors, the Secretary may obtain the orders of the Board of Directors by circulation of papers among the members present at the headquarters of the society. Such decisions arrived at by circulation shall be placed before the next meeting of the Board of Directors for their $\frac{\text{ratification.}}{\text{information}}$ Should a difference of opinion arise in the course of such circulation, the matter shall not be decided by circulation but shall be placed before a meeting of the Board of Directors.

21. Should a member of the Board of Directors absent himself from four consecutive meetings of the Board, he shall cease to be a member of the Board of Directors but may be reinstated by the Board of Directors.

22. Subject to such resolutions as the Board of Directors may from time to time pass, the several officers of the society shall have the powers mentioned below:—

(*a*) The President shall have a general control over all the affairs of the society and shall ex-officio be the Treasurer and shall have the custody of all the properties of the society. He shall also have power to appoint the members of the establishment as well as to fine, suspend or dismiss them subject in the last two cases to the approval of the Board of Directors.

(*b*) The Secretary shall be responsible for the executive administration of the society subject to the control of the President and shall ex-officio be the Treasurer and shall have custody of all the properties of the society.

(*c*) The $\frac{\text{Secretary}}{\text{President}}$ shall be the officer to sue or be sued on behalf of the society and all bonds in favour of the society shall be in the name of the $\frac{\text{Secretary}}{\text{President}}$.

(*d*) The Assistant Secretary shall help the Secretary. Should the Secretary or the Assistant Secretary require relief from work, it shall be competent to the President to grant such relief, making suitable arrangements for the conduct of work by one or more of the members of the Board of Directors.

23. Any member of the Board of Directors who commits default in respect of a loan taken by him from the society or in respect of any money due from him to the society shall *ipso facto* be considered disqualified to continue as an office-bearer. But

if the default has been for a period of three months or less, the defaulter may be reinstated by the general body on his showing good cause for the default. In no circumstance shall a defaulter continue to hold office as a member of the Board of Directors if his default has continued for more than three months.

24. Receipts shall be issued for all moneys paid to the society. For moneys paid by members, the receipt shall be signed by the President or the Secretary or the Assistant Secretary, whoever is selected by the Board of Directors to discharge this function. In the case of borrowings from non-members or from other societies the receipt or bond shall be executed by at least members of the Board of Directors of whom the Secretary or the President shall be one.

25. Without prejudice to the general powers conferred by these by-laws the Board of Management shall have and exercise powers and authority expressly conferred on them—

(*a*) to dig, cut and maintain reservoirs, canals, water courses, bunds or any other work to facilitate the achievements of the objects of the society and to hire or purchase modern scientific appliances for the same purpose,

(*b*) to see that lands are irrigated properly and at the proper time and that no member does any act detrimental to the interest of any other member and to decide disputes regarding the same,

(*c*) to see that the water rates or contributions are paid by members and collected regularly and to apply to the Revenue authority for the recovery and payment to the society of the dues of non-members who enjoy the benefits of the society by resorting to the provisions of section 6 of Act 1 of 1858 (Madras Compulsory Labour Act),

(*d*) to arrange for the leasing out of the right of cutting grass or fishing in the lands or tanks in the village, and

(*e*) to appoint and fix the pay of the menial staff and apportion the expenditure under this head to members and to collect the amount involved from them.

26. It shall be the duty of the Management to maintain such accounts and registers as are prescribed by rule V of the rules under the Act and by the Registrar from time to time, to place before a general body meeting of the members the Registrar's notes of audit or inspection within one month from the date of receipt, to correspond with the Registrar and to do all other business relating to the society.

27. The Board of Management shall have and exercise all such powers to enter into agreements, to fix the scale of wages to be paid for labour, to levy fees from the members for the supply of water and to incur such expenditure as may be necessary for the management of the society with reference to the scale and

within the budget allotment sanctioned and directions conveyed in their resolutions by the general body for each year. It shall be competent to the Secretary to incur petty contingent expenditure subject to a maximum of rupee one for any item.

28. The Board of Management shall be competent to fix the amount and the nature of the security, if any, to be given by the office establishment and to fix the fines that should be paid by the members for default in the payment of fees levied.

29. It shall be competent to the Board of Management to frame subsidiary by-laws for the conduct of the business of the society consistent with the Act, the rules under the Act and these by-laws. Such subsidiary by-laws shall be entered in the minute book of the society and they shall be reported to the Registrar of Co-operative Societies for approval.

30. The services of the members of the Board of Management shall be gratuitous.

General body.

31. The ultimate authority in all matters relating to the administration of the society shall be the general body of the members who shall meet from time to time and at least once a year to conduct the work of the society. The following among other matters shall be dealt with by the general body:—

(1) the election and removal of the Board of Directors,

(2) the annual report due to the Registrar of Co-operative Societies,

(3) the Registrar's annual audit certificate and the disposal of the net profit under by-law 39,

(4) the amendment or repeal of any existing by-law or the enactment of a new by-law,

(5) the adoption of a schedule of rates chargeable for digging canals or maintaining tanks, water courses or bunds, supplying water, posting watchmen and regulating water-supply from members for a year or for a shorter period,

(6) the expulsion of a member,

(7) the consideration of any complaint which any individual member may prefer against the Board of Management or of any appeal against their decision,

(8) the returns that may be prescribed by the Local Government,

(9) affiliation or disaffiliation of the society to a union nearby, and

(10) passing the annual budget.

31A. The general body shall not interfere with the action of the Board of Directors in respect of matters specifically delegated to it under the by-laws.

32. A meeting of the general body of the members may be convened, whenever necessary, for the conduct of the business by the Board of Directors and shall be so convened by the Board of Directors at the request of 15 or more members or at the instance of the Registrar.

33. It shall be the duty of every member to attend the meetings of the general body. The quorum for a general body meeting shall be   or one-fourth of the total number of members on the list at the time, whichever is less.

If on the date of the meeting there is no quorum, the meeting shall stand adjourned to that day next week. If on the day of the adjourned meeting no quorum is present, the business of the meeting shall be transacted without a quorum and resolutions passed by three-fourths of the members present and voting shall be binding on the members of the society.

34. The members present at the meetings of the general body shall choose a chairman from their members to preside at the meeting. Every member present shall have one and only one vote. All questions shall be decided by a majority of votes of the members present and voting. When votes are equal, the chairman of the meeting shall have a casting vote.

35.   days' notice shall ordinarily be given to members before a meeting of the general body is convened. The non-receipt by a member of such notice shall not by itself be enough to vitiate the proceedings of such a meeting.

36. If a member (i) wilfully deceives the society by false statement or in any other way or (ii) is a persistent defaulter or (iii) if he intentionally does any act detrimental to the interest of the society or (iv) if his general conduct is such as to render his removal necessary in the interest of the society, it shall be open to the general body to expel such member by the vote of not less than two-thirds of the members present and voting at such meeting after giving due notice to the member concerned of the proposal to expel him. An expelled member shall be paid all the moneys due to him from the society after deducting therefrom any money due from him to the society. A member who drives the society to court to recover the money due from him shall for that reason be expelled from membership. An expelled member shall be liable as provided in by-law 4 for the debts due by the society as they stood on the date of his expulsion for a period of two years after the expulsion.

37. The amount of paid-up share capital, deposit and any other money to the credit of a member or a past member shall be subject to a first charge in favour of the society in respect of any money due to the society from such member or past member. The society shall be at liberty to appropriate the whole or any portion of such paid-up share capital or deposit or any other money or moneys due by the society to the member.

38. When a member from whom money is due pays any sum, it shall be appropriated in the following order:—

To fees, fines, postal, registration and other miscellaneous charges due by him.

39. (i) Twenty-five per cent of the net profits of the society as declared by the Registrar every year shall be carried to the credit of the Reserve Fund.

(ii) Fifty per cent out of the remainder may be spent for the repair or renewal of any work which the general body may resolve upon carrying out during the coming year.

(iii) An honorarium not exceeding 10 per cent may be paid to the Secretary.

(iv) A dividend subject to a maximum of 9 per cent per annum on the paid-up value of each share may be paid to members proportionately to the amount of paid-up share capital held by each and also to the period during which the paid-up share capital was so held during the year.

(v) The remainder, if any, shall be carried to the Reserve Fund. All undisbursable and indivisible profits shall be added to the Reserve Fund.

Reserve fund.

40. (1) The reserve fund shall belong to the society as a whole and is intended to meet unforeseen losses. No member can claim a share in it. It shall be invested in such manner as the Registrar of Co-operative Societies prescribes and shall not be drawn upon except with his sanction.

(2) On the dissolution of the society, the reserve fund and other funds contributed by it under provisions of its by-laws shall be applied—

(i) to discharging such liabilities of the society as may remain undischarged after the enforcement in full of the liability of the members of the society;

(ii) to the repayment of the share capital paid up; and

(iii) to the payment of dividend upon such share capital, at a rate not exceeding 9 per cent per annum for any period or periods for which no dividend has been paid.

(3) Such portion of these funds as shall remain after payments mentioned in sub-clause (2) shall be applied to such local objects of public utility as may be selected by the general body and approved of by the Registrar. If within three months of the final closing up of the society the general body fails to make any selection that is approved of by the Registrar, the latter may use the abovementioned portion of the funds in supporting other co-opertive societies in the neighbourhood or shall place the same on interest or otherwise with some co-operative bank until a new

co-operative society with a similar area of operations is registered in which event the funds shall be credited to the reserve fund of such society.

41. If, however, at any time the general body resolves to split the society into more than one society by excluding a portion of the existing area of operations from the operations of the society and a new society or societies be registered to cover the area so excluded, a portion of the reserve fund shall be transferred to the society or societies as decided upon by the general body which resolves upon the splitting of the original society. It shall not be drawn upon except with the sanction of the Registrar.

42. No amendment to, alteration in, or cancellation of, a by-law nor the enactment of a new by-law shall be made except at a general meeting of the members or shall take effect until it shall have been approved by the Registrar.

43. Should any doubt arise as to the construction of the Act or any by-law, the Board of Directors shall refer the same to the Registrar of Co-operative Societies for advice and act according to his advice.

44. Within 15 days after the close of the co-operative year ending June 30th, the society shall prepare—

(i) a statement showing the receipts and disbursement during the past year,

(ii) a statement showing the assets and liabilities as they stood on the last day of such year, and

(iii) a statement showing the profit and loss for the year.

These three statements shall be submitted to the Registrar without delay. After the Registrar has verified these three statements and granted his audit certificate, the society shall publish the statements in a manner approved by the Registrar.

45. In the case of a dispute touching the business of the society between members or past members of the society, or persons claiming through a member or past member or between a member or past member or persons so claiming and the Board of Directors, a reference in writing may be made by any party to the Registrar. Similarly, in the case of a dispute relating to a debt due to the society by a member or past member or persons claiming through a member or past member, a reference in writing may be made by either party to the Registrar. The Registrar shall have power on receipt of such reference either to decide the dispute himself or refer it to an arbitrator appointed by him or to several arbitrators of whom one shall be appointed by him and one other by each of the parties to the dispute. The decision or award of the Registrar or of the arbitrator or

arbitrators, as the case may be, shall be final and it may be enforced in either of these ways—

(*a*) by an application made to the Collector of the district through the Registrar of Co-operative Societies, requesting that the amount due under the decision or award may be recovered in the same manner as arrears of land revenue;

(*b*) by an application to the Civil Court having jurisdiction over the subject-matter of the decision or award requesting that the Court may enforce the decision or award as if it were a decree of the Court; and

(*c*) by an application to the Registrar of the District under section 57-A of the Madras Co-operative Societies Act.

46. Should any sum belonging to the society be either stolen or otherwise lost and found irrecoverable, it shall be open to the general body to write off such amounts after obtaining the sanction of the Registrar.

BY-LAWS OF THE CATTLE-BREEDING CO-OPERATIVE SOCIETY, LIMITED, No. .

Name, constitution and address.

The Cattle-Breeding Co-operative Society, Limited, No. , is registered as a co-operative society under the Madras Co-operative Societies Act (VI of 1932). Its address shall be village, post in the taluk of in the district. Its operations shall be confined to

Objects.

2. The objects of the society shall be to promote the economic interest of its members—

(1) by improving their methods of cattle-breeding;
(2) by diffusing amongst them up-to-date information in the matter of cattle-breeding;
(3) by arranging for the grazing of their cattle;
(4) by arranging for the joint purchase and the joint sale of cattle required or possessed by them; and
(5) by the provision of educational assistance to the members, especially in cattle-breeding.

Membership.

3. The liability of the members shall be limited to the share capital subscribed by them.

4. The capital of the society for the present shall be made up of shares at the rate of rupees each. The entire share value should be paid in full on allotment.

5. Any person over 18 years of age who is competent to contract residing within the limits referred to in the third sentence of by-law 1 and who owns one or more cows or bulls shall be elgible for admission as a member; but no person can claim admission as a matter of right.

6. Applications for admission as members and for allotment of shares shall be made to the Secretary in the form, if any, prescribed by the society for the purpose. Every such application shall be disposed of by the Board of Directors who shall have power to grant admission or to refuse it without assigning reasons.

7. Every member shall pay an entrance fee of anna one on admission.

8. No member shall be permitted to withdraw his membership from the society within one year from the date of his admission, but a member may withdraw from the society after this period with

the consent of the Board of Directors provided firstly that he has given at least three months' notice of withdrawal and secondly that there are no moneys due by him to the society either on his own account or on account of others.

9. Should a member cease to be eligible for membership either on account of the removal of his residence from the limits prescribed in by-law 1 or on account of ceasing to own a cow or for any other cause, the society shall remove his name from the list of members after recovering from him any moneys due to the society either on his own account or on account of others.

10. If a member dies, his membership shall *ipso facto* cease.

11. (1) A past member shall be liable, as provided in by-law 3, for the debts due by the society, as they existed on the date when he ceased to be a member, for a period of two years from such date.

(2) The estate of a deceased member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date of his decease, for a period of two years after his decease.

12. No member shall be permitted to transfer his share or shares or create a charge in respect of the same in favour of another member or person except with the previous sanction of the Board of Directors.

Funds.

13. The society shall ordinarily obtain funds from the following sources :—

(1) Entrance fees and share capital,

(2) Fees or contributions levied under by-law 38, and

(3) Grants from Government or other sources.

Management.

14. Subject to such resolutions as the general body may from time to time pass the executive management of the affairs of the society shall vest in a Board of Directors consisting of not more than members.

15. The members of the Board of Directors shall be elected by the general body for a period of three years from among the members. Members of the Board of Directors shall continue in office after the expiry of their term of office until by election another board is constituted. A retiring member of the Board of Directors shall be eligible for re-election. After the Board of Directors is elected by the general body they shall elect from among themselves, a President and a Secretary. Interim vacancies on the Board of Directors may be filled up by the remaining members of the Board by co-option for the unexpired portion of the period. Any member or members of the Board of Directors may at any time be removed by a resolution of the general body.

16. The Board of Directors shall meet once a fortnight or oftener if necessary to conduct the affairs of the society. No decision of the Board of Directors shall be valid unless it is assented to by at least   members. All questions before the Board of Directors shall be decided by a majority of votes. Should there be an equality of votes, the president or other presiding member shall have a casting vote. No member of the Board of Directors shall be present at a meeting of the Board when any matter in which he is personally interested is being discussed. In cases of urgency where there may not be sufficient time to convene a meeting of the Board of Directors, and in all cases in which the Board of Directors, the Secretary may obtain the orders of the Board of Directors by circulation of papers among the members present at the headquarters of the society. Such decisions arrived at by circulation shall be placed before the next meeting of the Board of Directors for their ratification. Should a difference of opinion arise in the course of such circulation the matter shall not be decided by circulation but shall be placed before a meeting of the Board of Directors.

17. Should a member of the Board of Directors absent himself from four consecutive meetings of the Board, he shall cease to be a member of the Board of Directors but may be reinstated by the Board of Directors.

18. Subject to such resolutions as the Board of Directors may from time to time pass, the several officers of the society shall have the powers mentioned below :—

(*a*) The President shall have a general control over all the affairs of the society and shall ex-officio be the Treasurer and shall have the custody of all the properties of the society and he shall also have the power to appoint the members of the establishment as well as to fine, suspend or dismiss them subject in the last two cases to the approval of the Board of Directors and the Registrar.

(*b*) The Secretary shall be responsible for the executive administration of the society subject to the control of the President.

(*c*) The President shall be the officer to sue or be sued on behalf of the society and all bonds in favour of the society shall be in the name of the President.

(*d*) Should the Secretary require relief from work, it shall be competent to the President to grant such relief, making suitable arrangements for the conduct of work by one or more of the members of the Board of Directors.

19. Receipts shall be issued for all moneys paid to the society. For moneys paid by members the receipts shall be signed by the President or the Secretary whoever is selected by the Board of Directors to discharge this function.

20. It shall be the duty of the Board of Directors to maintain such accounts and registers as are prescribed by the rules under the Act and by the Registrar from time to time, to place before a general body meeting of the members the Registrar's notes of audit or inspection within one month from the date of receipt, to correspond with the Registrar and to do all other business relating to the society.

21. The Board of Directors shall have power to prescribe from time to time the scale of office establishment and to incur such expenditure, as may be necessary for the management of the society with reference to the scale and within the budget allotment sanctioned by the general body and approved by the Registrar for each year.

22. The Board of Directors shall be competent to fix the amount and nature of the security, if any, to be given by the office establishment.

23. It shall be competent to the Board of Directors to frame subsidiary by-laws for the conduct of the business of the society consistent with the Act, the rules under the Act, and these by-laws. Such subsidiary by-laws shall be entered in the minute book of the society and they shall be reported to the Registrar of Co-operative Societies for approval.

24. The services of the members of the Board of Directors shall be gratuitous.

General body.

25. The ultimate authority in all matters relating to the administration of the society shall be the general body of the members who shall meet from time to time and at least once a year to conduct the work of the society. The general body shall not interfere with the action of the Board of Directors in respect of matters delegated to it under the by-laws. The following among other matters shall be dealt with by the general body :—

(1) the election and removal of the Board of Directors;

(2) the annual report due to the Registrar of Co-operative Societies;

(3) the Registrar's annual audit certificate;

(4) the amendment or repeal of any existing by-law or the enactment of a new by-law;

(5) the expulsion of a member;

(6) the consideration of any complaint which any individual member may prefer against the Board of Directors;

(7) the returns that may be prescribed by the Local Government; and

(8) the determination of the scale of fees or contributions levied under by-law 38.

(9) the selection and approval of a particular variety of cattle, cows or bulls to be maintained by the members of the society; and

(10) the annual budget.

26. A meeting of the general body of the members may be convened, whenever necessary, for the conduct of the business by the Board of Directors and shall be convened by Board of Directors at the request of 15 or more members or at the instance of the Registrar or by a resolution of the governing body specially deputed by a resolution of the governing body of the union to which the society is affiliated.

27. It shall be the duty of every member to attend the meetings of the general body. The quorum for a general body meeting shall be   or one-fourth of the total number of members on the list at the time, whichever is less.

28. The President when present, shall preside at the meetings of the general body. In his absence the body may choose a chairman from their number to preside at the meeting. Every member shall have one and only one vote. All questions shall be decided by a majority of votes of the members present and voting. When votes are equal, the chairman of the meeting shall have a casting vote.

29. Three days' notice shall ordinarily be given to members before a meeting of the general body is convened.

30. If a member deceives the society in any way or if his general conduct is such as to render his removal necessary in the interests of the society, it shall be open to the general body to expel such a member. A member may be expelled for (1) refusal to maintain the particular varieties of animals approved by the Board of Directors; (2) utilizing the services of an inferior stud bull; (3) ill-treatment of animals, (4) breaking sanitary rules or refusing to carry out the sanitary orders of the Board of Directors or the Veterinary or Agricultural department, (5) any breach of the by-laws or subsidiary by-laws made by the Board of Directors. An expelled member shall be paid all moneys due to him from the society after deducting therefrom any money due from him to the society. A member who drives the society to Court to recover the money due from him shall for that reason, be expelled from membership. An expelled member shall be liable as provided in by-law 3 for the debt due by the society as from the date of expulsion for a period of two years after such expulsion.

31. The general body shall have authority to affiliate the society to any co-operative union (with suitable jurisdiction) that may be registered by the Registrar or that is working in the neighbourhood of the society. Towards the expenses of such union, the society shall contribute such sum as is fixed by the society with the approval of the union or supervising body and the Registrar provided that

the total amount payable on this account in any one year shall not exceed Rs. 150.

32. The amount of paid up share capital, deposit and any other money to the credit of a member or a past member shall be subject to a first charge in favour of the society in respect of any moneys due to the society from such member or past member. The society shall be at liberty to appropriate the whole or any portion of such paid up share capital, deposit or any other money to the moneys due by the member to the society.

Business of the Society.

33. *Cattle-breeding.*—It shall be competent for the Board of Directors—

(1) to purchase or obtain by a free grant either from Government or from others for breeding purposes one or more stud bulls approved by the Agricultural department and arrange for its or their up-keep either at the cost of the society or otherwise;

(2) to select and mark animals either by branding or otherwise which the society undertakes to have under its care and supervision;

(3) to supervise the proper breeding, nourishment and grazing of the animals so placed in charge of the society;

(4) to make arrangements for the grazing of the cattle under the care of the society if possible and keep them apart from other cattle;

(5) to examine the cows and bulls half-yearly and weed out defective animals;

(6) to arrange for veterinary aid in case of diseases and use preventive measures;

(7) to watch that the animals are kept under clean and sanitary conditions and diseased animals segregated or removed;

(8) to watch for and guard against evasion of the duty of members to use only the approved stud bulls;

(9) to watch that a mature stud bull shall not be allowed to cover more than certain number of cows fixed by the Agricultural department; and

(10) to erect, purchase or rent sheds and godowns to facilitate the carrying out of the objects of the society.

34. When the society is in a position to provide a stud bull no member of the society shall allow his cows to be covered by any stud bull other than the one selected by the Board of Directors as approved by the Agricultural department. Any member committing a breach of this by-law shall pay to the society for each breach such sum not exceeding Rs. 5 as may be determined by the Board of Directors. An accidental covering not due to the fault of a member shall not involve a penalty.

35. Every member is bound to have all his male young stock castrated immediately after except stock kept for breeding purposes. The Board of Directors will on the advice of the Agricultural department decide as to the animals to be kept for breeding purposes. Any violation of this by-law shall make a member liable for each offence to a fine of such sum not exceeding Rs. 2 as may be decided by the Board of Directors.

36. Every member shall be bound to inform the Board of Directors at once of any case of sickness amongst his cattle and of any outbreak of contagious disease in the locality and to carry out the suggestions of the Board in regard to treatment, disinfection and segregation. Any omission to inform the Board of Directors of any sickness or any outbreak of contagious disease or any refusal or omission to carry out the suggestions made by the Board of Directors shall render the member liable to a fine not exceeding Rs. 5 for each offence. The Board of Directors must inform the Veterinary department as early as possible of any such sickness, or outbreak of contagious disease for such action as is necessary. A fine of Rs. 5 shall be levied from the members who refuse to have their animals inoculated when this is considered necessary by the Veterinary department.

Joint purchase and sale.

37. It shall be competent to the Board of Directors to arrange for the joint purchase or joint sale of surplus cattle required or possessed by members. In arranging for such purchase or sale the Board of Directors shall act only as agent of members and shall not make the society liable for any loss.

38. The Board of Directors shall have power to levy fees or collect contributions from members on a scale approved of by the general body of members for—

(1) the purchase and upkeep of one or more breeding animals;

(2) the pasturing of the animals under the care and supervision of the society;

(3) service by the breeding animals of the society or other animals selected by the Board of Directors for the purpose;

(4) the joint purchase and sale of animals on behalf of members; and

(5) for any other purpose which the Board of Directors think necessary in order to achieve the objects of the society.

39. It shall be competent to the Board of Directors to borrow funds either from members or non-members or from the District Bank, Ltd., provided that the amount so borrowed does not exceed five times the society's paid-up share capital plus reserve fund and provided also that the interest payable on the borrowed amount shall not in any case exceed $5\frac{1}{2}$ per cent per annum.

Profits.

40. (1) Twenty-five per cent of net profits of the society as declared by the Registrar every year shall be carried to the credit of the reserve fund.

(2) Out of the remainder, a sum equivalent to $12\frac{1}{2}$ per cent of the net profits may be paid as honorarium to the Secretary.

(3) Out of the remainder, a sum not exceeding $7\frac{1}{2}$ per cent of the net profits may be carried to the credit of common good fund to be utilized for any of the purposes specified in section 2 of the Charitable Endowments Act VI of 1890 (India), viz., sanitation.

(4) Any profits not allotted in the manner aforesaid in any year shall be forthwith added to the reserve fund.

All undisbursable and indivisible profits shall be added to the reserve fund.

Reserve Fund.

41. (1) The reserve fund shall belong to the society as a whole and is intended to meet unforeseen losses. No member can claim a share in it. It shall be invested in such manner as the Registrar of Co-operative Societies prescribes and shall not be drawn upon except with his sanction.

(2) On the dissolution of the society the reserve fund and other funds contributed by it under provisions of its by-law shall be applied—

(i) to discharge such liabilities of the society as may remain undischarged after the enforcement in full of liability of the members of the society; and

(ii) to the repayment of the share capital paid up.

(3) Such portion of these funds as shall remain after payments mentioned in sub-clause (ii) shall be applied to such local objects of public utility as may be selected by the general body and approved of by the Registrar. If within three months of the final closing up of the society the general body fails to make any selection that is approved of by the Registrar, the latter may use the abovementioned portion of the funds in supporting other co-operative societies in the neighbourhood and shall place the same on interest or otherwise with some co-operative bank until a new co-operative society with a similar area of operations is registered in which event the funds shall be credited to the reserve fund of such society.

42. If, however, at any time the general body resolves to split the society into more than one society by excluding a portion of the existing area of operations from the operations of the society and a new society or societies be registered to cover the area so excluded, a portion of the reserve fund shall be transferred to the society or societies as decided upon by the general body which resolves upon the splitting of the original society.

43. No amendment to, alteration in, or cancellation of a by-law nor the enactment of a new by-law shall be made except at a general body meeting of the members or shall take effect until it shall have been approved by the Registrar.

Miscellaneous.

44. Should any doubt arise as to the construction of the Act or any by-law, the Board of Directors shall refer the same to the Registrar of Co-operative Societies for advice and act according to his advice.

45. The society shall prepare annually in such form as may be prescribed by the Registrar (*a*) a statement showing the receipts and disbursements for the year, (*b*) a profit and loss account, (*c*) a balance sheet and (*d*) such other statements as may be prescribed by the Registrar.

These statements shall be made up to 30th June and a copy of each shall be sent to the Registrar within fifteen days after the close of the co-operative year ending 30th June. After the Registrar has verified the statements and granted his audit certificate, the society shali publish such of the prescribed statements as he may direct in the manner prescribed by him.

46. If any dispute touching the business of the society (other than a dispute regarding disciplinary action taken by the society or its committee against a paid servant of the society) arises—

(*a*) among members, past members and persons claiming through members, past members and deceased members, or

(*b*) between a member, past member, or person claiming through a member, past member, or deceased member and the society, its committee or any officer, agent, or servant of the society, or

(*c*) between the society or its committee and any past committee, any officer, agent or past servant or the nominee, heirs or legal representative of any deceased officer, deceased agent or deceased servant of the society, or

(*d*) between the society and any other registered society,

such dispute shall be referred to the Registrar for decision.

The Registrar may, on receipt of such reference—

(i) decide the dispute himself, or

(ii) transfer it for disposal to any person who has been invested by the Local Government with powers on that behalf, or

(iii) refer it for disposal to an arbitrator or arbitrators. The decision or award of the Registrar or the person to whom the reference was transferred or by the arbitrator or arbitrators to whom it was referred shall be final, subject to the provision of sub-section (5) of section 51 of the Co-operative Societies Act.

The decision or award of the Registrar or of the arbitrator or arbitrators as the case may be, shall be final and it may be enforced in either of these ways :—

(*a*) By an application made to the Collector of the district through the Registrar of Co-operative Societies requesting that the amount due under the decision or award may be recovered in the same manner as arrears of land revenue, or

(*b*) by an application to the Civil Court having jurisdiction over the subject-matter of the decision or award requesting that the court may enforce the decision or award as if it were a decree of the court, or

(*c*) by an application to the Registrar of the district under section 57-A of the Madras Co-operative Societies Act VI of 1932.

47. Should any sum belonging to the society be either stolen or otherwise lost and found irrecoverable, it shall be open to the general body to write off such amounts after obtaining the sanction of the union to which the society is affiliated or the Registrar in case the society is not affiliated to any union.

BY-LAWS OF THE CO-OPERATIVE CONSOLIDATION OF HOLDINGS SOCIETY, LIMITED, No. .

The Co-operative Consolidation of Holdings Society, Limited, No. is registered as a Co-operative Society under Act VI of 1932 (Madras). Its address shall be post in the taluk in the district. Its operations shall be confined to the limits of village.

Objects.

2. Its objects are to promote the economic interests of its members and more particularly to secure a beneficial re-arrangement of holdings and to prevent loss and waste by fragmentation.

Membership.

3. The liability of the members of the society shall be limited to Rs. 5.

4. The members shall consist of—

(1) persons who join in the application for registration; and
(2) persons admitted in accordance with these by-laws.

5. Any agriculturist over 18 years of age who owns or cultivates land in the area of operations referred to in by-law 1 and who is competent to contract shall be eligible for admission as a member. He must also be a land owner or occupancy tenant or a person having an interest in land.

6. Applications for admission as members shall be made to the Secretary in the form, if any, prescribed by the society for the purpose. Every such application shall be disposed of by the Board of Directors subject to the confirmation by the general body. Every member on admission shall sign his name or make his thumb-mark in the register of members in the presence of two witnesses and shall pay an admission fee on the basis of the land revenue paid by him as follows :—

	RS.	A.	P.
(1) For land revenue of Rs. 5 and less ..	0	2	0
(2) For land revenue exceeding Rs. 5 but not exceeding Rs. 20	0	4	0
(3) For land revenue exceeding Rs. 20 but not exceeding Rs. 50	0	8	0
(4) For land revenue exceeding Rs. 50 ..	1	0	0

7. Membership shall be terminated by—

(1) death or permanent insanity;
(2) ceasing to own or have an interest in land in the village;
(3) expulsion by a two-thirds majority of a meeting at which not less than half the members are present and vote; and
(4) withdrawal after two years' notice to the Secretary.

8. The capital of the society will consist of the following :—

(1) Admission fee;

(2) profits;

(3) contributions and donations.

The capital of the society shall be devoted to the promotion of the stated objects of the society.

Management.

9. Subject to such resolutions as the general body may from time to time pass, the executive management of the affairs of the society shall vest in a Board of Directors. The Board of Directors shall consist of not more than five members.

10. The members of the Board of Directors shall be elected by the general body for a period of two years from among the members of the society over the age of twenty-one. Members of the Board of Directors shall continue in office after the expiry of their term of office until by election another committee is constituted. A retiring member of the Board of Directors shall be eligible for re-election. After the Board of Directors is elected by the general body, they shall elect from among themselves a President, a Secretary and a Treasurer.

11. The Board of Directors shall meet once a fortnight or oftener, if necessary, to conduct the affairs of the society. No decision of the Board shall be valid unless it is assented to by at least three members. All questions before the Board shall be decided by a majority of votes. Should there be an equality of votes, the President or other presiding member shall have a casting vote. No member of the Board of Directors shall be present at a meeting of the Board when any matter in which he is personally interested is being discussed.

12. Should a member of the Board absent himself from four consecutive meetings of the Board, he shall cease to be a member of the Board but may be reinstated by the Board of Directors.

13. A member of the Board of Directors shall cease to hold office if he ceases to be a member of the society or refuses to abide by the decision arrived at in a general meeting.

14. The Board of Directors shall prepare a scheme or schemes for the management of holdings in accordance with the principle adopted at a general meeting and shall submit such scheme or schemes to a general meeting for approval. The Board shall in all future cases of partition or re-arrangement of the consolidated area similarly prepare a scheme after consultation with the parties concerned and submit it to a general meeting for approval. The Board shall take all steps necessary to carry into effect any such scheme that may be approved by a two-thirds majority of the whole number of members.

15. All business discussed or decided at a meeting of the Board shall be recorded in a proceedings book which shall be signed by all the members of the Board present.

The Board of Directors shall also arrange for the recovery of contributions or other dues.

16. Subject to such resolutions as the Board of Directors may from time to time pass, the several officers of the society shall have the powers mentioned below :—

(*a*) The President shall have a general control over all the affairs of the society. He shall have power to appoint the members of the establishment as well as to fine, suspend or dismiss them subject in the last two cases to the approval of the Board of Directors.

(*b*) The Secretary shall be responsible for the executive administration of the society subject to the control of the President.

(*c*) The Secretary shall be the officer to sue or be sued on behalf of the society. The powers and duties of the Secretary shall be as follows :—

(1) to maintain correctly and up-to-date the prescribed papers and registers;
(2) to prepare all receipts and documents called for by the Committee;
(3) to sign on behalf of the society and conduct its correspondence ;
(4) to summon and attend general meetings and meetings of the Committee;
(5) to record the proceedings of such meetings and have them duly signed;
(6) to receive money due to the society; and
(7) to pay money due by the society.

(*d*) The Treasurer shall take charge of all moneys received by the society from members and other sources and shall make disbursement in accordance with the directions of the Board. He shall sign the cash book in token of correctness and produce the cash balance whenever called upon to do so by the Committee or the Inspecting Officers.

17. Receipts shall be issued for all moneys paid to the society. For moneys paid by members the receipts shall be signed by the Secretary.

18. It shall be the duty of the Board of Directors to maintain such accounts and registers, as are prescribed by rule V of the rules under the Act and by the Registrar from time to time, to place before a general body meeting of the members the Registrar's notes of audit or inspection within one month from the date of receipt, to correspond with the Registrar and to do all other business relating to the society.

18A. The following registers may also be maintained and kept up-to-date :—

(1) a khatani being the record of members holding whether owned or held under occupancy rights before and after consolidation;

(2) a field map showing member's holdings with their dimensions after consolidation;

(3) a field book showing dimension of holdings; and

(4) agreements obtained from members accepting consolidation and agreeing to abide by the decision of the Committee and general body.

19. The Board of Directors shall have power to prescribe from time to time the scale of office establishment and to incur such expenditure as may be necessary for the management of the society with reference to the scale and within the budget allotment sanctioned by the general body for each year. It shall be competent to the Secretary to incur petty contingent expenditure subject to a maximum of Re. 1 for any item.

20. The Board of Directors shall be competent to fix the amount and nature of the security, if any, to be given by the office establishment.

21. It shall be competent to the Board to frame subsidiary by-laws for the conduct of the business of the society consistent with the Act, the rules under the Act and these by-laws. Such subsidiary by-laws shall be entered in the minute book of the society and they shall be reported to the Registrar of Co-operative Societies for approval.

22. The services of the members of the Board of Directors shall be gratuitous.

General body.

23. The ultimate authority in all matters relating to the administration of the society shall be the general body of the members who shall meet from time to time and at least once a year to conduct the work of the society. The general body shall not however interfere with the action of the Board of Directors done in the exercise of the powers conferred on it by the by-laws. The following among other matters shall be dealt with by the general body :—

(1) the election and removal of the members of the managing committee :

(2) the annual report due to the Registrar of Co-operative Societies :

(3) the Registrar's annual audit certificate;

(4) the amendment or repeal of any existing by-law or the enactment of a new by-law;

(5) the expulsion of a member;

(6) the consideration of any complaint which any individual member may prefer against the Board of Directors.

(7) the returns that may be prescribed by the Local Government;

(8) the confirmation of the admission of members;

(9) the discussion and approval of all proposals for re-arrangement of holdings designed to save waste and prevent loss by fragmentation; and

(10) the determination of contributions.

24. A meeting of the general body of the members may be convened, whenever necessary for the conduct of the business by the Secretary and shall be so convened by the Secretary at the request of fifteen or more members or at the instance of the Registrar.

25. It shall be the duty of every member to attend the meetings of the general body. The quorum for a general body meeting shall be ten or one-fourth of the total number of members on the list at the time, whichever is less.

26. The President, when present, shall preside at the meetings of the general body. In his absence, the body may choose a chairman from their number to preside at the meeting. Every member present shall have one and only one vote. No proxy shall be allowed. All questions shall be decided by a majority of votes of the members present and voting. When votes are equal the chairman of the meeting shall have a casting vote. But amendments of these by-laws shall be carried out only by the majority of a meeting at which not less than two-thirds of the members are present.

27.   days' notice shall ordinarily be given to members before a meeting of the general body is convened.

28. A member may be expelled by the general body for any action which may be held by the Board of Directors or the general body to be dishonest or contrary to the stated objects of the society.

29. A person whose membership is terminated under by-law 7 or by-law 28 shall not be entitled to any payment from the society nor shall the termination of membership affect the area consolidated.

Business of the society.

30. Every member joining or being admitted to the society shall sign a statement that he—

(1) agrees to the principle of the re-arrangement of scattered holdings so as to secure more compact blocks of fields for each owner;

(2) agrees to submit to any arrangement approved by two-thirds of the whole number of members in a general meeting;

(3) agrees to permit the re-arrangement of his lands in accordance with any such scheme and to give possession in accordance therewith for ever;

(4) agrees to submit to arbitration in accordance with the by-law 36 all disputes touching the business of the society (including disputes as to rights, boundaries, rents, responsibility for land revenue and cesses and possession of the lands affected by any such scheme) that may arise during the existence of this society; and

(5) agrees to submit to any arrangement approved by two-thirds of the whole number of members in a general meeting, in case of any future partition or re-arrangement of the consolidated area in which he may be concerned.

All transfers of possession in accordance with any such scheme of re-partition shall be permanent.

Profits.

31. The entire net profits of the society as declared by the Registrar year after year shall be carried to a reserve fund which is indivisible.

Reserve fund.

32. (1) The reserve fund shall belong to the society as a whole and is intended to meet unforeseen losses. No member can claim a share in it. It shall be invested in such manner as the Registrar of Co-operative Societies prescribes and shall not be drawn upon except with his sanction.

(2) On the dissolution of the society, the reserve fund shall be applied to such local objects of public utility as may be selected by the general body and approved by the Registrar.

33. No amendment to, alteration in, or cancellation of, a by-law nor the enactment of a new by-law shall be made except at a general meeting of the members or shall take effect until it shall have been approved by the Registrar.

34. Should any doubt arise as to the construction of the Act or any by-law, the Board of Directors shall refer the same to the Registrar of Co-operative Societies for advice and act according to his advice.

35. The society shall prepare annually in such form as may be prescribed by the Registrar—

(*a*) a statement showing the receipts and disbursements for the year;
(*b*) a profit and loss account;
(*c*) a balance sheet; and
(*d*) such other statements as may be prescribed by the Registrar.

These statements shall be made up to 30th June and a copy of each shall be sent to the Registrar within fifteen days after the close of the co-operative year ending 30th June. After the Registrar has verified the statements and granted his audit certificate,

the society shall publish such of the prescribed statements as he may direct in the manner prescribed by him.

36. If any dispute touching the business of the society (other than a dispute regarding disciplinary action taken by the society or its committee against a paid servant of the society) arises—

(*a*) among members, past members and persons claiming through members, past members and deceased members, or

(*b*) between a member, past member, or person claiming through a member, past member, or deceased member and the society, its committee or any officer, agent, or servant of the society, or

(*c*) between the society or its committee and any past committee, any officer, agent or past servant or the nominee, heirs or legal representatives of any deceased officer, deceased agent or deceased servant of the society, or,

(*d*) between the society and any other registered society, such dispute shall be referred to the Registrar for decision.

The Registrar may, on receipt, of such reference,

(i) decide the dispute himself, or

(ii) transfer it for disposal to any person who has been invested by the Local Government with powers on that behalf or

(iii) refer it for disposal to an arbitrator or arbitrators. The decision or award of the Registrar or the person to whom the reference was transferred or by the arbitrator or arbitrators to whom it was referred shall be final, subject to the provision of sub-section (5) of section 51 of the Co-operative Societies Act, and it may be enforced in either of these ways—

(*a*) by an application made to the Collector of the district through the Registrar of Co-operative Societies requesting that the amount due under the decision or award may be recovered in the same manner as arrears of land revenue; or

(*b*) by an application to the Civil Court having jurisdiction over the subject-matter of the decision or award requesting that the Court may enforce the decision or award as if it were a decree of the Court; or

(*c*) by an application to the Registrar of the district under section 57-A of the Madras Co-operative Societies Act VI of 1932.

37. Should any sum belonging to the society be either stolen or otherwise lost and found irrecoverable, it shall be open to the general body to write-off such losses after obtaining the sanction of the Registrar.

BY-LAWS OF THE CO-OPERATIVE CREDIT SOCIETY, LIMITED, No. .

Name, constitution and address.

The Co-operative Credit Society, Limited, No. , is registered as a co-operative society under Act VI of 1932 (Madras). Its address shall be village, post, in the taluk of in the district. Its operations shall be confined to . Loans may, however, be granted to members on the security of their immovable property situate in

Objects.

2. The objects of the society shall be—

(1) to borrow funds from members or others to be utilized for loans to members for useful purposes;

(2) to act as the agent for the joint purchase of the domestic and other requirements of its members; and

(3) generally to encourage thrift, self-help and co-operation among the members.

Membership.

3. The liability of the members of the society shall be limited to the share capital subscribed by them.

4. The capital of the society shall for the present be Rs. made up of shares of Rs. each. The value of each share shall be paid either in one lump sum on allotment or in instalments. When paid in instalments Rs. shall be paid at the time of taking the share and the balance in months/years commencing from the month/year subsequent to that in which the share was taken. The monthly/ annual instalment shall be paid on or before the 15th day of the month/last day of the year to which it relates. The month/year in this by-law means the British calendar month/co-operative year. A member who has elected to pay the share value in instalments may pay the whole or any portion of the balance at any stage in advance. If a member is in arrears to the extent of a sum equivalent to or more than three monthly instalments/an annual instalment, his name may be removed from the list of members, in which case he shall be paid back after a period of six months/at once the share capital actually paid by him after deducting therefrom the moneys, if any, due from him to the society. If the payment is not made on the the defaulter will be debarred from exercising the privileges of due date, a fine of two pies per rupee per mensem will be levied and membership.

5. (*a*) Any person over eighteen years of age who is competent to contract residing within the limits referred to in the third sentence of by-law I shall be eligible for admission as a member; but no person can claim admission as a matter of right.

No person who is already a member of another co-operative credit society, whether limited or unlimited except a land mortgage bank shall be admitted as or be a member of this society.

(*b*) No member who has been expelled by the society or by any other society shall be eligible for readmission as a member of the society for a period of two years from the date of such expulsion provided that the Registrar may, in special circumstances, sanction the readmission of any such member within the said period as a member of the society.

(*c*) No person shall be eligible for admission as a member of the society if he is an applicant to be adjudicated a bankrupt or an insolvent or is an uncertified bankrupt or an undischarged insolvent.

6. Any member of the society who applies to be adjudicated a bankrupt or an insolvent shall cease to be a member of the society.

7. Every member shall take at least one share, but no member shall take more than shares. Every member shall pay an entrance fee of annas for each share taken by him at the time of taking the share provided that the total payment of entrance fees by any one member for all the shares held by him shall not exceed Rs. .

8. No member shall be permitted to withdraw any of the shares held by him in the society within years after the date when such shares were taken by him. But a member may withdraw shares with the consent of the Board of Directors after such period provided firstly that he has given at least six months' notice of withdrawal, secondly that the total amount of share capital that is permitted to be withdrawn in any one year does not exceed 10 per cent of the aggregate paid-up share capital of the society as it was on June 30th preceding, thirdly that there are no debts due from him to the society and fourthly that there are no debts due to the society in regard to which he has stood surety. When a member withdraws shares under this by-law, he shall be paid back the share capital actually paid by him with the dividend declared, if any. The 10 per cent limit to which the withdrawal of share capital in any one year is restricted in this by-law shall cover all withdrawals except those made under by-laws 9, 10 and 36.

9. Should a member cease to be eligible for membership either on account of the removal of his residence from the limits prescribed in by-law 1 or for any other cause, the Board of Directors shall remove his name from the list of members and shall pay back within a reasonable period to such member the share capital

actually paid by him with the dividend declared, if any, after deducting therefrom the money, if any, due from him to the society either as principal debtor or as surety.

10. (1) If a member dies, his membership shall *ipso facto* cease.

(2) (*a*) Every member of the society may nominate any person to succeed, in the event of his death, to his share or interest in the society. Such nomination shall, in the event of his death, be given effect to by the Board of Directors provided—

(i) the nomination was signed by the deceased in the presence of at least two witnesses attesting the same;

(ii) the nomination has been registered in the books of the society kept for the purpose; and

(iii) the person nominated shall have been admitted by the Board of Directors as a member of the society under by-law 6.

(*b*) In the event of there being no person nominated by the deceased member *who is qualified in accordance with the by-laws for membership of the society, the society shall transfer* the share or interest of the deceased member to *such person as may appear to the committee to be* the heir or legal representative of the deceased or to any person nominated by such nominee, heir or legal representative within one month of the death of the deceased member, provided such heir or legal representative or nominee shall have been admitted by the committee as a member of the society under by-law 6.

(*c*) In the event of there being no person *qualified* to succeed under clause (*a*) or (*b*) of this by-law to the share or interest of a deceased member, the society shall pay to the nominee of the deceased or to the heir or legal representative as the case may be, a sum representing the deceased members' share or interest at the time of his death, ascertained in accordance with the by-laws of the society.

(3) Subject as aforesaid, the society may pay all other moneys due to the deceased member from the society, to the person nominated by him in accordance with clause (2) (*a*) of this by-law or to such person as may appear to the committee to be the heir or legal representative of the deceased member, as the case may be.

11. (1) A past member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date when he ceased to be a member, for a period of two years from such date.

(2) The estate of a deceased member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date of his decease, for a period of two years after his decease.

12. No member shall be permitted to transfer his share or shares or create a charge in respect of the same in favour of another member or person except with the previous sanction of the Board of Directors.

13. With the sanction of the Board of Directors a member may at any time increase the number of shares held by him so as not to exceed the limit of   shares laid down in by-law 7.

Deposits.

14. Deposits may, at the discretion of the Board of Directors, be received at any time from members or non-members.

15. Deposits from members shall be given preference to deposits from non-members.

16. There shall be   classes of deposits (A) Fixed, (B) Recurring, (C) Savings, (D) Current, (E) Homesafe and (F) Chit funds.

A.—Fixed deposits.

(i) A fixed deposit is the deposit of a fixed amount of money for a fixed period of time. No fixed deposit shall be received for a sum less than Rs. 5 or an exact multiple thereof, or for a period less than six months.

(ii) Interest shall ordinarily be calculated on fixed deposits at a rate not exceeding   per cent per annum. Should a fixed deposit from a member or from a co-operative society be made for a period of not less than one year, the deposit being not less than Rs. 100, interest may be paid thereon at a rate not exceeding   per cent per annum. Interest on fixed deposits shall be paid yearly or at such shorter intervals as may have been agreed upon at the time of deposit.

(iii) The interest on a fixed deposit shall cease on the expiry of the period for which the deposit was made, unless notice in writing of the intention to renew the deposit for a further period of not less than six months has been received in the office of the society before the expiry of the original period. The society is not, however, bound to renew a fixed deposit after the expiry of the period for which it was made, but in case of such refusal interest shall be payable at the former rate until the date of such refusal.

B.—Recurring deposits.

A recurring deposit is a deposit made by a person who undertakes to pay to the society every month a fixed amount of one rupee or a multiple or a sub-multiple thereof for a period of 12, 24, 45, 84 or 132 months. A depositor paying one rupee per mensem for a period of 12, 24, 45, 84 or 132 months shall, before the close of the 14th, 26th, 47th, 86th and 134th month receive a sum of Rs. 12–6–3, Rs. 25–8–0, Rs. 50, Rs. 102–8–0 or Rs. 180–8–0, respectively, as the case may be out of which the sum of Rs. 12, 24, 45, 84 or 132 shall be debited in the accounts as repayment of principal and the balance as interest thereon. Every recurring depositor shall pay his monthly deposit before the end of the calendar month to which it relates, failing which he shall be charged a fine of two pies per rupee per month or fraction thereof on every rupee overdue. Should a recurring depositor be in arrears

to the extent of a sum equivalent to or more than four monthly instalments, his deposit account shall at once be closed. It shall however be competent to the Board of Directors if they think fit to reopen the account provided the prescribed fine due up to date is paid or to pay back the amount actually paid by the depositor together with interest on the amount of deposits actually made calculated at a rate not exceeding 2/3 of the original rate provided the deposit amount was held by the society for a period of at least one year. It shall be open to the society to credit the whole or part of the amount due to him towards any money due from the depositor to the society. It shall be competent to a recurring depositor with the consent of the panchayat, to alter the nature of his recurring deposit to any of the categories of such deposits prescribed in this by-law.

C.—Savings deposits.

(i) The Board of Directors may permit any person to open a savings deposit account with the society. The minimum amount that a person shall hold in the account shall be Rs. and the maximum that can be received from a depositor in any one year shall be Rs. and the amount to his credit at any time shall not exceed Rs. .

(ii) Interest shall be calculated on the savings deposit at not more than per cent per annum on the lowest credit balance on any date of each month. A depositor cannot withdraw money from his savings deposit account unless previous notice of at least one month of such withdrawal in each case has been given. No notice of any kind is, however, necessary for withdrawals from such account up to a limit of Rs. 200 in a week (Monday to Saturday inclusive).

(iii) Every savings depositor will be supplied with a pass-book for which he shall be charged annas. If the pass-book is lost he shall be charged annas for the supply of a fresh pass-book.

D.—Current deposits.

(i) The Board of Directors may permit any person to open a current account with the society. Interest shall be calculated on current deposits at per cent per annum on the lowest credit balance on any day of each month.

(ii) Every depositor shall be supplied with a pass-book for which he shall be charged annas. If the pass-book is lost, he shall be charged annas for the supply of a fresh pass-book.

E.—Homesafe deposits.

A homesafe deposit is a deposit made by a person who undertakes to deposit at his convenience in a homesafe any amount that he can spare and pay the contents thereof into the society every month for a period of twelve months. Amounts paid to the credit of a homesafe deposit account by the fourth day of the month shall

carry interest from the beginning of that month; amounts paid after that date shall carry interest only from the beginning of next month. Interest shall be calculated at the rate of per rupee per month. The total amount together with the interest accrued will be *ipso facto* cease from the close of the twelfth month. Interest shall *ipso facto* cease from the close of the twelfth month. No interest shall at any time be allowed on fractions of a rupee. Every homesafe depositor will be supplied with a pass-book free of charge and with a homesafe and a lock at a cost of annas. No transactions of any kind shall be effected in a homesafe deposit account without the production of the pass-book and the homesafe. A lost or spoilt pass-book or homesafe will be replaced by another on payment of or annas respectively. The key of the homesafe shall be in the custody of the society and the safe shall be opened by the President or the Secretary in the presence of the depositor or his agent who produces it for the purpose of crediting the contents thereof to the depositor's account. The depositor shall at the time of obtaining payment of the amount to his credit return the pass-book to the society. Should a homesafe depositor fail to use the safe for a continued period of four months, his deposit account shall at once be closed and he shall be paid back the amounts actually paid by him, his pass-book being obtained back from him. It shall be open to the society to credit the whole or part of such amount towards any money due from the depositor to the society.

F.—Chit funds.

On an application of 10 or more members the Board of Directors may start and conduct chit funds to secure savings and frame rules for that purpose subject to the following conditions:—

(*a*) the number of members of a single chit fund shall be not less than 10 and not more than 24;

(*b*) the total amount of any chit fund shall not be more than Rs. 2,400;

(*c*) the period during which a chit is to run shall be not less than 10 and not more than 24 months;

(*d*) every chit member must subscribe for at least one share but no member can take more than three shares;

(*e*) the method of disposal of a chit amount shall be under the auction system under which the pool or amount subscribed by all the members is knocked down to the member who bids the highest discount as consideration for drawing the pool. When there is no bid, the collection less $4\frac{1}{2}$ per cent shall be lent to the member selected by casting lots among all the members who have not already had loans under the system or when two or more members bid the same discount, selection by casting lots shall be made among them.

(*f*) the discount in disposing of any chit fund shall be not less than $4\frac{1}{2}$ per cent and not more than 9 per cent;

(*g*) the members applying for the starting of a chit fund shall be jointly and severally responsible for any loss arising by any member or members of the chit failing to fulfil their engagements and the society as a whole shall not be responsible for such loss;

(*h*) the Board of Directors shall have full discretion in the matter of obtaining security from members to whom the chit amount is allotted;

(*i*) out of the discount or interest collected, one anna in the rupee shall be appropriated by the society towards the cost of establishment, the remainder being distributed among the members of the fund in the proportion of their shares;

(*j*) any sums due to the society by members who are also subscribers to a chit fund may at the discretion of the Board of Directors be deducted from the chit amount or discount or interest when it falls to them.

Other borrowings.

17. It shall be competent to the Board of Directors to borrow funds otherwise than by way of deposits either from members, or from persons other than members, or from institutions registered under the Indian Companies Act or under the Co-operative Societies Act provided that the interest payable on the borrowed amount shall not, in any case, exceed   per cent per annum.

Maximum borrowing limits.

18. The total borrowings of the society both by way of deposits or otherwise and whether from members or others shall not at any time exceed five times the paid-up share capital *plus* the reserve fund.

Management.

19. Subject to such resolutions as the general body may from time to time pass, the executive management of the affairs of the society shall vest in a Board of Directors. The Board of Directors shall consist of not more than   members.

20. The members of the Board of Directors shall be elected by the general body for a period of   years from among the members. Members of the Board of Directors shall continue in office after the expiry of their term of office until by election another Board is constituted. A retiring member of the Board of Directors shall be eligible for re-election. After the Board of Directors is elected by the general body, they shall elect from among themselves a President, a Secretary, a Treasurer and two Trustees. Interim vacancies on the Board of Directors may be filled up by the remaining members of the Board by co-option for the unexpired portion of the period except in cases contemplated in by-law 24. Any member or members of the Board of Directors may at any time be removed by a resolution of the general body.

21. The Board of Directors shall meet once a fortnight or oftener if necessary to conduct the affairs of the society. No decision of the Board of Directors shall be valid unless it is assented to by at least   members. All questions before the Board of Directors shall be decided by a majority of votes. And should there be an equality of votes, the President or other presiding member shall have a casting vote. No member of the Board of Directors shall be present at a meeting of the Board when any matter in which he is personally interested is being discussed. In case of urgency where there may not be sufficient time to convene a meeting of the Board of Directors and in all cases in which such a procedure may, from time to time, be prescribed by the Board of Directors, the Secretary may obtain the orders of the Board of Directors by circulation of papers among the members present at the headquarters of the society. Such decisions arrived at by circulation shall be placed before the next meeting of the Board of Directors for their $\frac{\text{ratification}}{\text{formation}}$. Should a difference of opinion arise in the course of such circulation, the matter shall not be decided by circulation but shall be placed before a meeting of the Board of Directors.

22. Should a member of the Board of Directors absent himself from four consecutive meetings of the Board, he shall cease to be a member of the Board of Directors but may be reinstated by the Board of Directors.

23. Subject to such resolutions as the Board of Directors may from time to time pass the several officers of the society shall have the powers mentioned below:—

(*a*) the President shall have a general control over all the affairs of the society. He shall also have power to appoint the members of the establishment as well as to fine, suspend or dismiss them subject in the last two cases to the approval of the Board of Directors;

(*b*) the Secretary shall be responsible for the executive administration of the society subject to the control of the President;

(*c*) the $\frac{\text{Secretary}}{\text{President}}$ shall be the officer to sue or be sued on behalf of the society and all bonds in favour of the society shall be in the name of the $\frac{\text{Secretary}}{\text{President}}$;

(*d*) should the Secretary require relief from work, it shall be competent to the President to grant such relief, making suitable arrangements for the conduct of work by one or more of the members of the Board of Directors; and

(*e*) the Treasurer shall have the custody of all the properties of the society till they are transferred to the Trustees once a week or oftener as the Board of Management may decide. At the end of each day, after the accounts are closed, the

Secretary shall hand over the cash balance, the gold jewels and bullion and other valuables received during the day. The Treasurer shall acknowledge receipt of the cash balance in the day-book, the gold jewels and bullion in the 'jewel security' register and the other properties in the register maintained for the purpose. The strong box in which the Treasurer holds the valuables shall also be placed in the strong room referred to in clause (*f*) of by-law 44-A.

24. No member who at the time is in default to the society in respect of any loan or loans taken by him shall be elected as a panchayatdar of the society or to represent the society in another society and vote. Any member of the society who has been appointed as a panchayatdar of the society or to the committee of another society or to represent the society in another society and vote, shall cease to hold his appointment as such, if he is in default to the society for a period of three months. He shall be disqualified for re-election as a Director for a period of six months from the date of his ceasing to hold his appointment as a Director.

25. Receipts shall be issued for all moneys paid to the society. For moneys paid by members the receipt shall be signed by the President or the Secretary or the Assistant Secretary whoever is selected by the Board of Directors to discharge this function. In the case of borrowings from non-members or from other societies, the receipt or bond shall be executed by at least   members of the Board of Directors of whom the Secretary or the President shall be one.

26. It shall be the duty of the Board of Directors to maintain such accounts and registers as are prescribed by rule V of the rules under the Act and by the Registrar from time to time, to place before a general body meeting of the members the Registrar's notes of audit or inspection within one month from the date of receipt, to correspond with the Registrar and to do all other business relating to the society.

27. The Board of Directors shall have power to prescribe from time to time the scale of office establishment and to incur such expenditure as may be necessary for the management of the society with reference to the scale and within the budget allotment sanctioned by the general body for each year. It shall be competent to the Secretary to incur petty contingent expenditure subject to a maximum of Re. 1 for any item.

28. The Board of Directors shall be competent to fix the amount and nature of the security, if any, to be given by the office establishment.

29. It shall be competent for the Board of Directors to frame subsidiary by-laws for the conduct of the business of the society consistent with the Act, the rules under the Act and these by-laws. Such subsidiary by-laws shall be entered in the minute

book of the society and shall take effect only after their approval by the Registrar of Co-operative Societies.

30. The services of the members of the Board of Directors shall be gratuitous except as provided for in by-law 55.

General body.

31. The ultimate authority in all matters relating to the administration of the society shall be the general body of members who shall meet from time to time and at least once a year to conduct the work of the society. The general body shall not, however, interfere with the actions of the Board of Directors done in the exercise of powers conferred on them by the by-laws. The following among other matters shall be dealt with by the general body:—

(1) the election and removal of the Board of Directors;

(2) the annual report due to the Registrar of Co-operative Societies;

(3) the Registrar's annual audit certificate;

(4) the amendment or repeal of any existing by-law or the enactment of a new by-law;

(5) the expulsion of a member;

(6) the consideration of any complaint which any individual member may prefer against the Board of Directors; and

(7) the returns that may be prescribed by the Local Government.

32. The Board of Directors may, at any time, call a general meeting of the society for the conduct of business and shall call such a meeting within one month after receipt of a requisition in writing from 15 or more members, or from the Registrar of Co-operative Societies or from a member of the Governing Body specially deputed by a resolution of the union to which the society is affiliated or from a financing bank to which the society is indebted.

33. It shall be the duty of every member to attend the meetings of the general body. The quorum for a general body meeting shall be   or one-fourth of the total number of members on the list at the time whichever is less.

34. The President, when present, shall preside at the meetings of the general body. In his absence the body may choose a chairman from their number to preside at the meeting. Every member present shall have one and only one vote. All questions shall be decided by a majority of votes of the members present and voting. When votes are equal, the chairman of the meeting shall have a casting vote.

35.   days' notice shall ordinarily be given to members before a meeting of the general body is convened.

Notice for a general meeting may be given to members in one or more of the following modes:—

(i) by means of tom-tom in the village;
(ii) by affixing a copy of the notice for the meeting in some conspicuous place in the village and in the office of the society;
(iii) by circulation of the notice book and getting signatures of members in it.

If there is any irregularity in the service of notice, it shall not invalidate the proceedings. The general body shall be convened by a resolution of the panchayat.

36. If a member deceives the society in any way, or if his general conduct is such as to render his removal necessary in the interests of the society, it shall be open to the general body to expel such member. An expelled member shall be paid all moneys due to him from the society, after deducting therefrom any money due from him to the society. A member who compels the society to execute the decrees, decisions or awards obtained against him for the recovery of moneys due from him shall, for that reason, be expelled from the society. An expelled member shall be liable, as provided in by-law 3 for the debts due by the society as they stood on the date of his expulsion, for a period of two years after such expulsion.

37. (1) The general body shall have authority to affiliate the society to any co-operative union (with suitable jurisdiction) that may be registered by the Registrar or that is working in the neighbourhood of the society.

(2) The society shall contribute at the rate of 8 annas on every sum of interest earned by it in the preceding year on every Rs. 100 of loans given to members to a supervision fund, which will be lodged with and administered by the Central Bank.

(3) The contribution to the supervision fund shall fall due on the date on which the audit certificate specifying the amount payable is communicated to the society.

Loans.

38. Loans shall be given only to members, but no member can claim a loan as a matter of right. Applications for loans excepting those mentioned below shall be disposed of by the Board of Directors.

Loans not exceeding Rs.   may in emergent cases be sanctioned by the President on the recommendation of the Secretary subject to the ratification of the Board of Directors at its next meeting.

39. All applications for loans shall be made to the Secretary in the form, if any, prescribed for the purpose who shall place them before the Board of Directors.

40. Loans shall be given only for useful purposes. The following alone shall be deemed useful purposes:—

(1) the purchase of seed, manure or agricultural implements and other cultivation expenses;

(2) the purchase of cattle and of fodder for the same;

(3) the manufacture or purchase of country carts;

(4) the payment of sirkar or zamin kist;

(5) improvements to land and purchase of land;

(6) the building, buying or repairing of dwelling houses or cattle-sheds;

(7) advances to artisans for the purchase of implements or raw materials required for their industry;

(8) advances to petty trades for purposes of petty trade;

(9) the payment of petty debts;

(10) the purchase of food-grains and other necessaries of life;

(11) ceremonial expenses not exceeding Rs. ;

(12) educational purposes;

(13)

(14)

41. Should the Board of Directors be of opinion that a loan granted by the society has been misapplied, it shall at once take steps to recover the loan with interest without waiting for the expiry of the period for which it has been granted.

42. No member shall at any time be indebted to the society by way of principal to the extent of more than Rs. on account of any loan or loans taken by him. Subject to the above maximum a member shall be eligible for a loan not exceeding Rs. for each share held by him. Members belonging to an undivided family shall not be given in the aggregate a loan in excess of the amount admissible to a single individual member. In the case of wage earners no member shall be given loans in excess of times his salary.

NOTE.—The individual maximum borrowing power prescribed in this by-law and the basis of shares shall not apply to loans on the security of gold articles and bullion.

43. The interest on loans charged by the society to its members shall not be less than per cent per annum and not more than per cent per annum as may be decided upon, from time to time, by the general body of the society with the previous approval of the Central Bank, if the society is affiliated to it.

If, however, the Central Bank requires the society to enhance the rate at any time, the society shall do so and the enhanced rate shall come into force from the date specified by the bank.

Interest shall be calculated on daily balances.

Interest on all loans shall be paid monthly; but the Board of Directors can permit a borrower to pay interest in half-yearly or yearly instalment in the case of agriculturists and persons who have no monthly income. The monthly interest shall be paid on or before the 15th of the month succeeding that to which it relates.

44. Loans shall be secured in one or other of the following methods:—

(1) On the security of the deposit, if any, to the credit of the borrower, not exceeding 90 per cent of the amount of such deposits;

NOTE.—The amount of a loan granted on the security and within the limit specified in this clause shall not be subject to any of the stipulations to the contrary effect laid down in by-law 42 as to the maximum amount of loan ordinarily admissible to an individual member or to members of an undivided family or as to the limit calculated with reference to the number of shares held by him or them.

(2) on the joint and several responsibility of the borrower and one or two other members standing sureties for him provided that the total amount for which a member can stand surety shall not exceed Rs.   for each share held by him;

(3) on the mortgage of unencumbered immovable property wholly belonging to the borrower not exceeding 50 per cent of the estimated market value of such property;

(4) on the pledge of Government promissory notes or Government Savings Bank deposits; or

(5) as a joint loan as described in by-law 53;

(6) on the security of gold jewels and bullion as described in by-law 44-A.

44A. (*a*) Loans may be given on the pledge of gold jewels and bullion belonging to the borrower not exceeding 60 per cent of their value as estimated by the appraiser and accepted by the Board of Directors, the jewels being treated as bullion and ignoring any precious stones that may be set up in them. Loans may be sanctioned by the President on the recommendation of the Secretary. The loans, when sanctioned, should be placed before the next meeting of the Board of Directors for their ratification.

(*b*) Loans issued under this by-law shall not exceed Rs. 1,000 for anyone member and they shall be repaid in monthly instalments with interest within a period not exceeding 12 months.

(*c*) The Board of Directors shall appoint an appraiser who shall value and submit an estimate of the gold jewels and bullion offered as security for the loans. It shall require the person so appointed to furnish such security as it may decide upon from time to time.

(*d*) The Board of Directors may either accept the value of the appraiser or lessen it but it shall have no power to increase the value.

(*e*) The appraiser shall be held responsible for any loss that the bank may sustain in the loans issued on the basis of his estimation.

(*f*) The gold jewels and bullion pledged to the bank and other valuables of the bank shall be in charge of the two trustees to be elected by the Board of Directors from among themselves. These valuables shall be kept in a strong box placed in a safe room under the lock and key of the two trustees. The strong box shall not be opened except in the presence of the two trustees who shall have each a key of one of the two locks of the strong room.

(*g*) In the event of the loss of the jewel or bullion pledged, the borrower shall not be entitled to claim more than the estimated value as approved by the Board of Directors.

(*h*) Should at any time the Board of Directors be of opinion that the value of the security offered for the loan has fallen below 60 per cent of the loan outstanding, it shall call upon the borrower to give such additional security as it considers necessary within a specified period. If the borrower fails to comply with the notice, his loan account shall at once be closed by the Board of Directors and steps taken forthwith to recover the loan with charges.

(*i*) When the loan account of a member is closed under clause (*h*) or under by-law 47 or under by-law 52, the Board of Directors shall have the right of sale of the articles pledged to the bank in public auction. But it shall not exercise the right of sale until after a notice to that effect is affixed to the notice board of the bank at least 10 days before the date of sale. Notice shall also be given to the borrower. It is sufficient if the notice is left at his last known residence or sent by post.

(*j*) Prior to the sale, if the borrower or any person acting on his behalf tenders payment of the full amount due including interest and charges, the Board of Directors shall not effect the sale and release the articles proposed to be auctioned.

(*k*) The sale shall be conducted by three Directors of whom one shall be the President or the Secretary at the notified time and place. The proceeds of the sale shall be applied in satisfaction of all dues payable by the borrower to the bank and the balance shall be kept to his credit. This amount shall bear no interest. But the bank shall give notice immediately after the sale to the borrower informing him thereof and of the amount which is held to his credit after satisfaction of his dues to the bank. Any deficiency will have to be made good by the borrower.

(*l*) The bank shall maintain a 'jewel' security register in suitable form and the description of all jewels offered as security shall be entered therein with a reference to the particular loans concerned.

(*m*) The Board of Directors shall arrange for a periodical verification of the jewels and other valuables in custody with the bank.

44B. *Cash credit loans to members.*—(1) Cash credit may be given to members; but no member can claim a cash credit as a matter of right.

(2) Cash credit shall be given on the joint and several responsibility of the borrower and one or two other members standing sureties for him or on the mortgage of unencumbered immovable property wholly belonging to the borrower not exceeding 50 per cent of the estimated market value of such property.

(3) No member shall at any time be indebted to the society by way of cash credit loan to the extent of more than Rs. .

(4) The cash credit shall be in force for one year only terminable on the 30th June and application should be made in good time, for renewal of the cash credit.

(5) The limit of the cash credit loan and the security therefor shall be examined from year to year and revised, if necessary.

(6) It shall be open to the society to reduce or terminate the cash credit once sanctioned to a member after giving a month's notice to such member.

(7) Interest shall be charged at per cent per annum payable quarterly.

(8) Interest on a minimum debtor balance of one-tenth of the maximum cash credit sanctioned shall be charged whether the account is operated upon up to that limit or not. After that limit, interest shall be charged on daily balances of the actual debtor balance outstanding.

N.B.—.ne minimum limit may be fixed at one-fifth or one-tenth of the cash credit granted with reference to local conditions.

(9) Withdrawal from the cash credit shall be in the form prescribed.

N.B.—The amount of cash credit granted shall be subject to the stipulations laid down in by-law 42 as to the maximum amount of loan ordinarily admissible to an individual member or to the members of an undivided family or as to the limit calculated with reference to the number of shares held by him or them.

45. In granting loans, preference shall be given to loans on the security of the deposits, if any, of the borrower with the society. All other loans shall be paid in the order of their sanction.

46. The amount borrowed may be repaid at the convenience of the borrower, in easy instalments, within the period fixed for the loan, interest after each payment being calculated on the balance of the principal due provided that no partial repayment shall be accepted other than in whole rupees.

47. The period for the repayment of each loan shall be fixed by the President in the cases in which he acts under by-law 38 and by the Board of Directors in all other cases according to the purpose of the loan. The period of repayment shall in no case exceed five years. Loans shall ordinarily be repayable in monthly

instalments; but the Board of Directors may permit repayment of a loan in instalments of longer period not exceeding one year where the financial condition of the borrower renders this desirable as, e.g., in the case of agriculturists or those who have no considerable monthly income. Should a borrower be unable to pay a prescribed instalment of principal, the Board of Directors may, for satisfactory reason and with the general permission of the Registrar, suspend the payment of that instalment by the grant of an extension for the amount. If a borrower is in arrears for any instalment of principal or interest and the Board of Directors does not deem it necessary to grant an extension, the whole outstanding loan becomes recoverable and the Board of Directors may, and if the default continues for a period of more than three months shall, at once close the account. On overdue instalments of principal, interest at the rate of   pies per rupee per mensem shall be levied. All cases of extensions shall be reported to the general body and to the Registrar at least once a year.

48. The amount of paid-up share capital, deposit and any other money to the credit of a member or a past member shall be subject to a first charge in favour of the society in respect of any moneys due to the society from such member or past member. The society shall be at liberty to appropriate the whole or any portion of such paid-up share capital or deposit or any other money to the moneys due by the member to the society.

49. When a member from whom money is due pays any sum it shall be appropriated in the following order:—

Firstly, to fees, fines, postal, registration and other miscellaneous charges due by him;

Secondly, to interest; and

Thirdly, to principal.

50. When a loan is cancelled by the Board of Directors under by-law 41 on account of its misapplication, the loan account shall at once be closed. When an account is so closed or closed under by-law 47 the Board of Directors shall inform the borrower of the fact and of the amount outstanding against him including interest up to the date of closing the loan account. On the total amount so found due, the borrower shall be charged interest at   pies per rupee per mensem from the date of closing the loan account to the date of recovery and steps shall be taken without delay to recover the amount.

51. When a surety dies or ceases to be a member under by-law 4 or 9 or 36 the principal borrower shall at once inform the society of the fact and either repay immediately the loan due from him with interest up to the date of payment or execute a fresh bond with one or more fresh sureties acceptable to the Board of Directors. If arrangements are not made to repay the loan within a time to be fixed by the Board of Directors or if a fresh

surety or sureties are not produced or when a member who has borrowed from the society on the mortgage of immovable property borrows elsewhere on the mortgage of the same property or sells the property already mortgaged to the society without the previous sanction of the Board of Directors his loan account shall at once be closed without reference to the period for which the loan was given and action taken as laid down in by-law 50. In respect of such accounts also interest shall be charged at pies per rupee per mensem from the date of closing the loan account to the date of recovery.

52. If a member becomes ineligible for membership at any time and his name has on that account to be removed from the list of members under by-law 4 or 9 or should a member be expelled under by-law 36 the loan account, if any, of the member concerned shall at once be closed without reference to the term for which the loan has been granted and action shall be taken to recover from the borrower the amount outstanding against him including interest up to the date of closing the loan account. Interest shall be charged at pies per rupee per mensem on the amount so found outstanding from the date of closing the loan account to the date of recovery.

Joint loan.

53. On an application in writing (in the form to be prescribed from time to time) of five or more members the Board of Directors may grant a joint loan to the members so applying subject to such rules as may from time to time be framed by the Board of Directors with a view to supply the domestic and other requirements, provided that—

(1) the number of members of any joint loan be not less than five or more than twenty;

(2) the period for which the joint loan runs be not more than fifteen months;

(3) the total amount of any joint loan be not more than Rs. 1,000 but shall not exceed Rs. 50 per share of the members who apply;

(4) each joint borrower shall be required to state in the application the quantity of the domestic and other articles he requires and the maximum price he is prepared to pay and shall further bind himself to pay all incidental expenses at a rate to be finally settled by a sub-committee as constituted below;

(5) the members applying for the joint loan be jointly and severally responsible for any loss arising by any of the members of the joint loan failing to fulfil their engagement and the society, as a whole, shall not be held responsible for such loss;

(6) the general provisions regarding loans set out thereafter shall apply as far as possible to the money due from each

of the members subscribing to the joint loan, interest running from the month in which the society has to borrow to meet the joint application;

(7) the operations of purchase and distribution shall be conducted by a sub-committee consisting of a member of the Board of Directors to be elected by the members thereof and one of the members subscribing to the joint loan to be elected by the subscribers;

(8) in the case of difference of opinion between members of the sub-committee, the decision of the Board of Directors shall be final;

(9) it will be open to the sub-committee afterobtaining the sanction of the Board of Directors to supplement the joint loan sanctioned by the Board of Directors with contributions from the subscribing members, but the society will have a prior lien on the commodity purchased to the extent of the joint loan and incidental expenses, if any, incurred by the Board of Directors.

Joint purchase.

54. The Board of Directors may purchase wholesale the domestic and other requirements of the members; but in making such a purchase it shall act only as the agent of the members and shall accept no liability for any loss occurring in the transaction. Purchase shall be made only to the extent of the requirements of those members who are able to pay in cash or to whom the society is able to give a loan for the purpose of payment. Accounts showing these transactions shall be maintained in such forms as the Registrar may prescribe. Subsidiary by-laws may be framed by the Board of Directors for purposes of these purchases subject to their approval by the Registrar.

Profits.

55. The net profits of the society as declared by the Registrar every year shall be disposed of as shown below:—

(1) twenty-five per cent of the net profits as declared by the Registrar shall be carried to the credit of the reserve fund;

(2) out of the remainder—
an honorarium not exceeding 3 per cent of the net profits may be paid to the Secretary and the Board of Directors to be divided among themselves in accordance with a subsidiary by-law framed by the Board of Directors with the approval of the Registrar;

(3) (*a*) out of the remainder, a dividend subject to a maximum of 9 per cent per annum on the paid-up value of each share may be paid to members proportionately to the amount of paid-up share capital held by each and also to the period during which the paid-up share capital was so held during the year;

(*b*) a sum not exceeding $7\frac{1}{2}$ per cent of the net profits may be paid to a common good fund to be utilized for any of the purposes mentioned in section 2 of the Charitable Endowments Act VI of 1890 (India), namely,

if the general body so wish;

(*c*) a sum not exceeding per cent of the net profits may be carried to a building fund if the general body so wish;

(4) a sum not exceeding per cent of the net profits / such sum as is allotted by the general body every year at a meeting may be carried to a dividend equalization fund to be available for distribution in any subsequent year subject to the provisions of rule framed under Act II of 1912;

(5) any profits not allotted in the manner aforesaid in any year shall be forthwith added to the reserve fund.

All undisbursable and indivisible profits shall be added to the reserve fund.

56. (1) The reserve fund shall belong to the society as a whole and is intended to meet unforeseen losses. It shall be indivisible and no member shall have any claim to a share in it. It may be drawn upon with the special sanction of the Registrar to meet unforeseen losses.

(2) On the dissolution of the society the reserve fund together with the other funds contributed by the society in accordance with its by-laws, including the common good fund and the dividend equalization fund, shall be applied by the liquidator to the discharge of such liabilities of the society as may remain undischarged out of the assets of the society in the following order, namely:—

(*a*) the debts of the society;
(*b*) the paid-up share capital; and
(*c*) the dividend upon paid-up share capital, at a rate not exceeding 6 per cent per annum, for any period or periods for which no dividend has been paid.

(3) Any surplus funds remaining after the payments mentioned in sub-rule (2) shall be utilized in the following manner and subject to the following conditions, namely:—

(i) The surplus funds shall be utilized for such object of public utility within the area in which the dissolved society carried on its operations as may be selected by its general body at a meeting and approved by the Registrar. The funds shall, until they are disbursed for such object, be kept invested in a financing bank and it shall be the duty of the committee of such bank to see that any amount withdrawn is spent properly and to allow withdrawal of funds in instalments as the work for which they are intended progresses to its satisfaction.

(ii) If within 30 days after the issue of notice by the liquidator appointed to wind up the affairs of the society, the general body fails to make any selection that is approved by the Registrar, the Registrar may place the surplus funds on deposit or otherwise with a financing bank working in the area in which the dissolved society carried on its operations, until a new co-operative society with similar objects is registered in such area, in which case the funds shall be credited to the reserve fund of such society. If, in the opinion of the Registrar, there is no prospect of a new society being formed in such area within a reasonable time, the Registrar shall assign the amount to the bad debts reserve or the reserve fund of the financing bank working in such area.

56A. If, however, at any time, the general body resolves to split the society into more than one society by excluding a portion of the existing area of operations from the operations of the society and a new society or societies be registered to cover the area so excluded, a portion of the reserve fund shall be transferred to the society or societies as decided upon by the general body which resolves upon the splitting of the original society.

57. No amendment to, alteration in, or cancellation of, a by-law nor the enactment of a new by-law shall be made except at a general meeting of the members or shall take effect until it shall have been approved by the Registrar.

Miscellaneous.

58. Should any doubt arise as to construction of the Act or any by-law, the Board of Directors shall refer the same to the Registrar of Co-operative Societies for advice and act according to his advice.

59. The society shall prepare annually in such form as may be prescribed by the Registrar:—

(*a*) a statement showing the receipts and disbursements for the year;

(*b*) a profit and loss account;

(*c*) a balance sheet; and

(*d*) such other statements as may be prescribed by the Registrar.

These statements shall be made up to 30th June and a copy of each shall be sent to the Registrar within fifteen days after the close of the co-operative year ending 30th June. After the Registrar has verified the statements and granted his audit certificate, the society shall publish such of the prescribed statements as he may direct in the manner prescribed by him.

60. If any dispute touching the business of the society (other than a dispute regarding disciplinary action taken by the society or its committee against a paid-servant of the society) arises—

(a) among members, past members and persons claiming through members and deceased members; or

(b) between a member, past member or person claiming through a member, past member or deceased member and the society, its committee or any officer, agent or servant of the society; or

(c) between the society or its committee and any past committee, any officer, agent or past servant or the nominee, heirs or legal representatives of any deceased officer, deceased agent or deceased servant of the society; or

(d) between the society and any other registered society;

such dispute shall be referred to the Registrar for decision.

The Registrar may, on receipt of such reference,

(i) decide the dispute himself; or

(ii) transfer it for disposal to any person who has been invested by the Local Government with powers in that behalf; or

(iii) refer it for disposal to an arbitrator or arbitrators.

The decision or award of the Registrar or the person to whom the reference was transferred or by the arbitrator or arbitrators to whom it was referred shall be final, subject to the provisions of sub-section (5) of section 51 of the Co-operative Societies Act, and it may be enforced in any one of these ways:—

(a) by an application made to the Collector of the district through the Registrar of Co-operative Societies requesting that the amount due under the decision or award may be recovered in the same manner as arrears of land revenue;

(b) by an application to the Civil Court having jurisdiction over the subject-matter of the decision or award requesting that the Court may enforce the decision or award as if it were a decree of the Court;

(c) by an application to the Registrar of the district in which the cause of action arose, that the decision or award be enforced as provided in Rule XXII of the rules framed under the Madras Co-operative Societies Act.

61. If any sum belonging to the society is either stolen or otherwise lost and found irrecoverable or if any loan due to the society is found otherwise irrecoverable either wholly or in part, it shall be open to the general body to write off such amount after obtaining the sanction of the union and of the Central Bank to which the society is affiliated or of the Registrar and of the Central Bank, if it is not affiliated to any union.

62. Any amount due by the society and not claimed within the period of limitation allowed by the Indian Limitation Act shall be added to the reserve fund of the society.

APPENDIX.

Special by-laws to be introduced or not—Optional.

When a mortgage deed is executed by a member, the Board of Directors shall insist on all persons interested in the property joining in the execution whether such persons are themselves members or not.

When a member who has mortgaged a house or a building to the society desires to make any addition, improvement or other alteration to the same, he shall apply to the Board of Directors for permission to do so and he shall not make any alteration before obtaining such permission. Before according sanction the Board may call for a plan showing the alterations proposed and may insist upon security being furnished for the mortgage amount pending completion of the work. The Board of Directors shall not in any case permit an alteration which is likely to reduce the market value of the mortgage property so as to endanger the security.

In the case of an application for a loan on the security of immovable property the application shall be accompanied by the title-deeds and other documents relating to the property. All immovable property proposed to be mortgaged shall be inspected by two members of the Board of Directors who may be deputed to do so by the Board. The surveyors so appointed shall submit an accurate estimate of the market value of the immovable property and report of all persons having any interest in such property. In each case the applicant for the loan shall pay an estimate fee of 4 annas for every Rs. 100 of the loan applied for.

The fee collected under this by-law shall be paid to the two members of the Board of Directors who act as surveyors.

Members of the Board of Directors appointed surveyors shall, in all cases, be held strictly responsible for the correctness of their reports, estimates and valuations.

It shall be competent to the Board of Directors to reject any report, estimate or valuation made by any surveyor on the basis of information at their disposal.

BY-LAWS OF THE PUBLIC SERVANTS' CO-OPERATIVE SOCIETY, LIMITED, No.

Name, constitution and address.

The Public Servants' Co-operative Society, Limited, No. is registered as a co-operative society under Act VI of 1932 (Madras). Its address shall be post, in the taluk of in the district. Its operations shall be confined to the limits of

Objects.

2. The objects of the society shall be—

(1) to borrow funds from members or others to be utilized for loans to members for useful purposes;

(2) to act as agent for the joint purchase of the domestic and other requirements of its members; and

(3) generally, to encourage thrift, self-help and co-operation among the members.

Membership.

3. The liability of the members of the society shall be limited to the share capital subscribed by them.

4. The capital of the society shall, for the present, be Rs. made up of shares of Rs. each. The value of each share shall be paid either in one lump sum on allotment or in instalments. When paid in instalments, Rs. shall be paid at the time of taking the share and the balance in months commencing from the month subsequent to that in which the share was taken. The monthly instalment shall be paid on or before the 15th day of the month/last day of the year to which it relates. The month in this by-law means the British calendar month. A member who has elected to pay the share value in instalments may pay the whole or any portion of the balance at any stage in advance. If a member is in arrears to the extent of a sum equivalent to or more than three monthly instalments, his name may be removed from the list of members in which case he shall be paid back after a period of six months/at once the share capital actually paid by him after deducting therefrom the moneys, if any, due from him to the society. If the payment is not made on the due date, a fine of two pies per rupee per mensem will be levied and the defaulter will be debarred from exercising the privileges of membership. It shall be competent for the Board of Directors to refuse to admit a person as a member unless the

applicant shall agree in writing to permit the $\frac{\text{Manager}}{\text{Head}}$ of the office to deduct the instalments of share capital from his pay.

4A. Every member shall be required to pay to the society a monthly subscription at one of the following rates which shall be determined by his monthly salary on the date of his admission into the society, salary being understood as in the Fundamental Rules:—

Pay per month.	Subscription.
Rs. 1 to 25	4 annas.
Rs. 26 to 100	8 annas.
Rs. 101 and above	1 rupee.

When a member's subscription has run for 20 months it shall be carried to the fixed deposit account and it shall not be withdrawable.

5. (*a*) Any person employed under Government or a Local Fund Board or a Municipality and residing within the area of operations mentioned in by-law 1 may become a member and continue as such, provided that no person can claim admission as a member as a matter of right. When such qualification ceases to exist, the member shall cease to be a member.

No person who is already a member of another co-operative credit society, whether limited or unlimited except a Land Mortgage Bank, shall be admitted as or be a member of this society.

(*b*) No member who has been expelled by this society or by any other society shall be eligible for readmission as a member of the society for a period of two years from the date of such expulsion provided that the Registrar may, in special circumstances, sanction the readmission of any such member within the said period as a member of the society.

(*c*) No person shall be eligible for admission as a member of the society, if he is an applicant to be adjudicated a bankrupt or an insolvent or is an uncertified bankrupt or an undischarged insolvent.

Any member of the society who applies to be adjudicated a bankrupt or an insolvent shall cease to be a member of the society.

6. Applications for admission as member and for allotment of shares shall be made to the Secretary in the form, if any, prescribed by the society for the purpose. The applications shall be submitted with the recommendation of the head ministerial officer of the office in which the applicant is employed. In the case of the head ministerial officer himself, the application should be countersigned by his immediate superior officer except in case where the head ministrial officer draws a pay of not less than

Rs. 100. Every such application shall be disposed of by the Board of Directors who shall have power to grant admission or to refuse it without assigning reasons.

7. Every member shall take at least one share, but no member shall take more than shares. Every member shall pay an entrance fee of annas for each share taken by him at the time of taking the share provided that the total payment of entrance fees by any one member for all the shares held by him shall not exceed Rs. .

8. No member shall be permitted to withdraw any of the shares held by him in the society within years after the date when shares were taken by him. But a member may withdraw shares with the consent of the Board of Directors after such period provided, firstly, that he has given at least six months' notice of withdrawal, secondly, that the total amount of share capital that is permitted to be withdrawn in any one year does not exceed 10 per cent of the aggregate paid-up share capital of the society as it was on June 30th preceding, thirdly, that there are no debts due from him to the society and fourthly, that there are no debts due to the society in regard to which he has stood surety. When a member withdraws shares under the by-law, he shall be paid back the share capital actually paid by him with the dividend declared, if any.

The ten per cent limit to which the withdrawal of share capital in any one year is restricted in this by-law shall cover all withdrawals except those made under by-laws 9, 10 and 36.

9. Should a member cease to be eligible for membership either on account of the removal of his residence from the limits prescribed in by-law 1 or for any other cause, the Board of Directors may remove his name from the list of members and pay back within a reasonable period to such member the share capital actually paid by him (with the dividend declared) after deducting therefrom the debts, if any, due from him to the society either as principal debtor or as surety; provided however that a member who is transferred out of such limits before the end of the co-operative year or before the expiry of the full period of his periodical deposits or before the loan he has obtained is fully repaid, the Board of Directors may permit him to continue to be a member till the co-operative year is over so as to enable him to get the dividend on his share capital and till the full period of his deposits or repayment of his loan is over, subject to the condition that, if he has obtained a surety loan and if the sureties express their unwillingness to continue as sureties on account of his transfer, the member shall execute another bond for the balance due with fresh sureties. It is however open to such member to transfer his membership with all the amounts due by and to him, to any other society which may be working in the area to which he has been transferred on such conditions as are settled by agreement between the two societies.

10. (1) If a member dies, his membership shall *ipso facto* cease.

(2) (*a*) Every member of the society may nominate any person to succeed, in the event of his death, to his share or interest in the society. Such nomination shall, in the event of his death, be given effect to by the Board of Directors provided—

(i) the nomination was signed by the deceased in the presence of at least two witnesses attesting the same;

(ii) the nomination has been registered in the books of the society kept for the purpose; and

(iii) the person nominated shall have been admitted by the Board of Directors as a member of the society under by-law 6.

(*b*) In the event of there being no person nominated by the deceased member who is qualified in accordance with the by-laws for membership of the society, the society shall transfer the share or interest of the deceased member to such person as may appear to the committee to be the heir or legal representative of the deceased or to any person nominated by such nominee, heir or legal representative within one month of the death of the deceased member, provided such heir or legal representative or nominee shall have been admitted by the committee as a member of the society under by-law 6.

(*c*) In the event of there being no person qualified to succeed under clause (*a*) or (*b*) of this by-law to the share or interest of a deceased member, the society shall pay to the nominee of the deceased or to the heir or legal representative as the case may be, a sum representing the deceased member's share or interest at the time of his death, ascertained in accordance with the by-laws of the society.

(3) Subject as aforesaid, the society may pay all other moneys due to the deceased member from the society, to the person nominated by him in accordance with clause (2) (*a*) of this by-law or to such person as may appear to the committee to be the heir or legal representative of the deceased member, as the case may be.

11. (1) A past member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date when he ceased to be a member, for a period of two years from such date.

(2) The estate of a deceased member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date of his decease, for a period of two years after his decease.

12. No member shall be permitted to transfer his share or shares or create a charge in respect of the same in favour of another member or person except with the previous sanction of the Board of Directors.

13. With the sanction of the Board of Directors, a member may, at any time, increase the number of shares held by him so as not to exceed the limit of   shares laid down in by-law 7.

Deposits.

14. Deposits may, at the discretion of the Board of Directors, be received at any time from members or non-members.

15. Deposits from members shall be given preference to deposits from non-members.

16. There shall be   classes of deposits (A) Fixed, (B) Recurring, (C) Savings, (D) School Fee, (E) Home-safe and (F) Chit funds.

A.—Fixed deposits.

(i) A fixed deposit is the deposit of a fixed amount of money for a fixed period of time. No fixed deposit shall be received for a sum less than Rs. 5 or an exact multiple thereof, or for a period less than six months.

(ii) Interest shall ordinarily be calculated on fixed deposits at a rate not exceeding   per cent per annum. Should a fixed deposit from a member or from a co-operative society be made for a period of not less than one year, the deposit being not less than Rs. 100, interest may be paid thereon at a rate not exceeding   per cent per annum. Interest on fixed deposits shall be paid yearly or at such shorter intervals as may have been agreed upon at the time of deposit.

(iii) The interest on a fixed deposit shall cease on the expiry of the period for which the deposit was made, unless notice in writing of the intention to renew the deposit for a further period of not less than six months has been received in the office of the society before the expiry of the original period. The society is not, however, bound to renew a fixed deposit after the expiry of the period for which it was made, but in case of such refusal interest shall be payable at the former rate until the date of such refusal.

B.—Recurring deposits.

A recurring deposit is a deposit made by a person who undertakes to pay to the society every month a fixed amount of one rupee or a multiple or a sub-multiple thereof for a period of 12, 24, 45, 84 or 132 months. A depositor paying one rupee per mensem for a period of 12, 24, 45, 84 or 132 months shall, before the close of the 14th, 26th, 47th, 86th and 134th months, receive a sum of Rs. 12–6–3, Rs. 25–8–0, Rs. 50, Rs. 102–8–0 or Rs. 180–8–0, respectively, as the case may be, out of which the sum of Rs. 12, 24, 45, 84 or 132 shall be debited in the accounts as repayment of principal and the balance as interest thereon. Every recurring depositor shall pay his monthly deposit before the end of the calendar month to which it relates failing which he shall be charged a fine of two pies per rupee per month or

fraction thereof on every rupee overdue. Should a recurring depositor be in arrears to the extent of a sum equivalent to or more than four monthly instalments, his deposit account shall at once be closed. It shall, however, be competent to the Board of Directors if they think fit to reopen the account provided the prescribed fine due up to date is paid or to pay back the amount actually paid by the depositor together with interest on the amount of deposits actually made calculated at a rate not exceeding 2/3 of the original rate, provided the deposit amount was held by the society for a period of at least one year. It shall be open to the society to credit the whole or part of the amount due to him towards any moneys due from the depositor to the society. It shall be competent to a recurring depositor with the consent of the Board of Directors, to alter the nature of his recurring deposit to any of the categories of such deposits prescribed in this by-law.

C.—Savings deposits.

(i) The Board of Directors may permit any person to open a savings deposit account with the society. The minimum amount that a person shall hold in the account shall be Rs. and the maximum that can be received from a depositor in any one year shall be Rs. and the amount to his credit at any time shall not exceed Rs.

(ii) Interest shall be calculated on the savings deposit at not more than per cent per annum on the lowest credit balance on any date of each month. A depositor cannot withdraw money from his savings deposit account unless previous notice of at least one month of such withdrawal in each case has been given. No notice of any kind is, however, necessary for withdrawals from such account up to a limit of Rs. 200 in a week (Monday to Saturday inclusive).

(iii) Every savings depositor will be supplied with a pass-book for which he shall be charged annas. If the pass-book is lost, he shall be charged annas for the supply of a fresh pass-book.

D.—School-fee deposits.

(*a*) A person paying into the society rupee one or a multiple thereof every month for 7 or 14 years consecutively, shall on the expiry of the fifth year, be entitled to receive annually the following amounts or their corresponding multiples till the end of the 13th or the 16th year, respectively

for the 6th, 7th and 8th years, Rs. 5 each year;

for the 9th and 10th years, Rs. 10 each year;

for the 11th, 12th and 13th years, Rs. 22 each year;

for the 14th, 15th and 16th years, Rs. 42 each year.

(*b*) The sums so paid annually to the depositor shall be debited in the accounts as repayment of principal; and when the total amount paid to the depositor exceeds the total amount paid by

him into the society the excess shall each time be accounted for as interest paid to him.

(*c*) These deposits shall be known as school-fee deposits and the annual payments paid to the depositor may be utilized to pay the cost of education in secondary schools.

(*d*) Every school-fee depositor shall pay his monthly deposit before the end of the calendar month to which it relates, failing which he shall be charged a fine of two pies per month or fraction thereof on every rupee overdue. Should a school-fee depositor default for a continued period of four months his deposit account shall at once be closed and he shall be paid back the amount actually paid by him less any amount that may have been paid back to him prior thereto. It shall be open to the society, however, to credit the whole or part of any such amount that shall have become payable to him towards any moneys due from him to the society.

E.—Homesafe deposits.

A homesafe deposit is a deposit made by a person who undertakes to deposit at his convenience in a homesafe any amount that he can spare and pay the contents thereof into the society every month for a period of twelve months. Amounts paid to the credit of a homesafe deposit account by the fourth day of the month shall carry interest from the beginning of that month; amount paid after that date shall carry interest only from the beginning of next month. Interest shall be calculated at the rate of three-fourths of a pie per rupee per month. The total amount together with the interest accrued will be payable to the depositor in the thirteenth month. Interest shall *ipso facto* cease from the close of the twelfth month. No interest shall at any time be allowed on fractions of a rupee. Every homesafe depositor will be supplied with a pass-book free of charge and with a homesafe and a lock at a cost of   annas. No transactions of any kind shall be effected in a homesafe deposit account without the production of the pass-book and the homesafe. A lost or spoilt pass-book or homesafe will be replaced by another on payment of   or   annas respectively. The key of the homesafe shall be in the custody of the society and the safe shall be opened by the President or the Secretary in the presence of the depositor or his agent who produces it for the purpose of crediting the contents thereof to the depositor's account. The depositor shall at the time of obtaining payment of the amount to his credit return the pass-book to the society. Should a homesafe depositor fail to use the safe for a continued period of four months, his deposit account shall at once be closed and he shall be paid back the amounts actually paid by him, his pass-book being obtained back from him. It shall be open to the society to credit the whole or part of such amount towards any moneys due from the depositor to the society.

F.—Chit funds.

On an application of ten or more members the Board of Directors may start and conduct chit funds to secure savings and frame rules for that purpose subject to the following conditions:—

(a) the number of members of a single chit fund shall be not less than 10 and not more than 24;

(b) the total amount of any chit fund shall not be more than Rs. 2,400;

(c) the period during which a chit is to run shall be not less than 10 and not more than 24 months;

(d) every chit member must subscribe for a least one share but no member can take more than three shares;

(e) the method of disposal of a chit amount shall be under the auction system under which the pool or amount subscribed by all the members is knocked down to the member who bids the highest discount as consideration for drawing the pool. When there is no bid, the collection less $4\frac{1}{2}$ per cent shall be lent to the member selected by casting lots among all the members who have not already had loans under the system or when two or more members bid the same discount, selection by casting lots shall be made among them;

(f) the discount in disposing of any chit fund shall be not less than $4\frac{1}{2}$ per cent and not more than 9 per cent;

(g) the members applying for the starting of a chit shall be jointly and severally responsible for any loss arising by any member or members of the chit failing to fulfil their engagements and the society as a whole shall not be responsible for such loss;

(h) the Board of Directors shall have full discretion in the matter of obtaining security from members to whom the chit amount is allotted;

(i) out of the discount or interest collected, one anna in the rupee shall be appropriated by the society towards the cost of establishment, the remainder being distributed among the members of the chit fund in the proportion of their shares;

(j) any sums due to the society by the members who are also subscribers to a chit fund may at the discretion of the Board of Directors be deducted from the chit amount or discount or interest when it falls to them.

Other borrowings.

17. It shall be competent to the Board of Directors to borrow funds otherwise than by way of deposits either from members, or from persons other than members, or from institutions registered

under the Indian Companies Act or under the Co-operative Societies Act, provided that the interest payable on the borrowed amount shall not, in any case, exceed per cent per annum.

Maximum borrowing limit.

18. The total borrowings of the society both by way of deposits or otherwise and whether from members or others shall not at any time exceed times the paid-up share capital *plus* the reserve fund.

Management.

19. Subject to such resolutions as the general body may from time to time pass, the executive management of the affairs of the society shall vest in a Board of Directors. The Board of Directors shall consist of not more than members.

20. The members of the Board of Directors shall be elected by the general body for a period of one year from among the members. Members of the Board of Directors shall continue in office after the expiry of their term of office, until by election another Board is constituted. A retiring member of the Board of Directors shall be eligible for re-election. After the Board of Directors is elected by the general body, they shall elect from among themselves a President, a Secretary and an Assistant Secretary. Interim vacancies on the Board of Directors may be filled up by the remaining members of the Board by co-option for the unexpired portion of the period except in cases contemplated in by-law 24. Any member or members of the Board of Directors may at any time be removed by a resolution of the general body.

21. The Board of Directors shall meet once a fortnight or oftener if necessary to conduct the affairs of the society. No decision of the Board of Directors shall be valid unless it is assented to by at least members. All questions before the Board of Directors shall be decided by a majority of votes and should there be an equality of votes, the President or other presiding member shall have a casting vote. No member of the Board of Directors shall be present at a meeting of the Board when any matter in which he is personally interested is being discussed. In case of urgency where there may not be sufficient time to convene a meeting of the Board of Directors and in all cases in which such a procedure may, from time to time, be prescribed by the Board of Directors, the Secretary may obtain the orders of the Board of Directors by circulation of papers among the members present at the headquarters of the society. Such decisions arrived at by circulation shall be placed before the next meeting of the Board of Directors for their $\frac{\text{ratification}}{\text{information}}$. Should a difference of opinion arise in the course of such circulation, the matter shall not be decided by circulation but shall be placed before a meeting of the Board of Directors.

22. Should a member of the Board of Directors absent himself from four consecutive meetings of the Board, he shall cease to be a member of the Board of Directors but may be reinstated by the Board of Directors.

23. Subject to such resolutions as the Board of Directors may from time to time pass, the several officers of the society shall have the powers mentioned below:—

(*a*) The President shall have a general control over all the affairs of the society and shall ex-officio be the Treasurer and shall have the custody of all the properties of the society. He shall also have power to appoint the members of the establishment as well as to fine, suspend or dismiss them subject in the last two cases to the approval of the Board of Directors.

(*b*) The Secretary shall be responsible for the executive administration of the society subject to the control of the President.

(*c*) The $\frac{\text{Secretary}}{\text{President}}$ shall be the officer to sue or be sued on behalf of the society and all bonds in favour of the society shall be in the name of the $\frac{\text{Secretary}}{\text{President}}$.

(*d*) The Assistant Secretary shall help the Secretary. Should the Secretary or the Assistant Secretary require relief from work, it shall be competent to the President to grant such relief, making suitable arrangements for the conduct of work by one or more of the members of the Board of Directors.

24. No member who at the time is in default to the society in respect of any loan or loans taken by him shall be elected as a member of the Board of Directors of the society or to represent the society in another society and vote. Any member of the society who has been appointed as a member of the Board of Directors of the society or to the committee of another society or to represent the society in another society and vote, shall cease to hold his appointment as such, if he is in default to the society for a period of three months. He shall be disqualified for re-relection as a Director for a period of six months from the date of his ceasing to hold his appointment as a Director.

25. Receipts shall be issued for all moneys paid to the society. For moneys paid by members the receipt shall be signed by the President or the Secretary or the Assistant Secretary whoever is selected by the Board of Directors to discharge this function. In the case of borrowings from non-members or from other societies, the receipt or bond shall be executed by at least
members of the Board of Directors of whom the Secretary or the President shall be one.

26. It shall be the duty of the Board of Directors to maintain such accounts and registers as are prescribed by rule V of the rules under the Act and by the Registrar from time to time, to place before a general body meeting of the members the Registrar's notes of audit or inspection within one month from the date of receipt, to correspond with the Registrar and to do all other business relating to the society.

27. The Board of Directors shall have power to prescribe from time to time the scale of office establishment and to incur such expenditure as may be necessary for the management of the society with reference to the scale and within the budget allotment sanctioned by the general body for each year. It shall be competent to the Secretary to incur petty contingent expenditure subject to a maximum of Re. 1 for any item.

28. The Board of Directors shall be competent to fix the amount and nature of the security, if any, to be given by the office establishment.

29. It shall be competent to the Board of Directors to frame subsidiary by-laws for the conduct of the business of the society consistent with the Act, the rules under the Act and these by-laws. Such subsidiary by-laws shall be entered in the minute book of the society and shall take effect only after the approval of the Registrar of Co-operative Societies.

30. The services of the members of the Board of Directors shall be gratuitous except as provided in by-law No. 55.

General body.

31. The ultimate authority in all matters relating to the administration of the society shall be the general body of the members who shall meet from time to time and at least once a year to conduct the work of the society. The following among other matters shall be dealt with by the general body:—

(1) the election and removal of the Board of Directors;
(2) the annual report due to the Registrar of Co-operative Societies;
(3) the Registrar's annual audit certificate;
(4) the amendment or repeal of any existing by-law or the enactment of a new by-law;
(5) the expulsion of a member;
(6) the consideration of any complaint which any individual member may prefer against the Board of Directors; and
(7) the returns that may be prescribed by the Local Government.

32. The Board of Directors may, at any time, call a general meeting of the society for the conduct of business and shall call such a meeting within one month after receipt of a requisition in writing from 15 or more members or from the Registrar of

Co-operative Societies or from a member of the Governing Body specially deputed by a resolution of the Union to which the society is affiliated or from a financing bank to which the society is indebted.

33. It shall be the duty of every member to attend the meetings of the general body. The quorum for a general body meeting shall be   or one-fourth of the total number of members on the list at the time, whichever is less.

34. The President, when present, shall preside at the meetings of the general body. In his absence the body may choose a chairman from their number to preside at the meeting. Every member present shall have one and only one vote. All questions shall be decided by a majority of votes of the members present and voting. When votes are equal, the chairman of the meeting shall have a casting vote.

35.   days' notice shall ordinarily be given to members before a meeting of the general body is convened.

Notice for a general meeting may be given to members in one or more of the following modes:—

(i) by means of tom-tom in the village;

(ii) by affixing a copy of the notice for the meeting in some conspicuous place in the village and in the office of the society; and

(iii) by circulation of the notice book and getting signatures of members in it.

If there is any irregularity in the service of notice, it shall not invalidate the proceedings. The general body shall be convened by a resolution of the panchayat.

36. If a member deceives the society in any way, or if his general conduct is such as to render his removal necessary in the interest of the society, it shall be open to the general body to expel such member. An expelled member shall be paid all moneys due to him from the society, after deducting therefrom any money due from him to the society. A member who compels the society to execute the decrees, decisions or awards obtained against him for recovery of moneys due from him shall, for that reason, be expelled from membership. An expelled member shall be liable, as provided in by-law 3 for the debts due by the society as they stood on the date of expulsion, for a period of two years after such expulsion.

37. (1) The general body shall have authority to affiliate the society to any co-operative union with suitable jurisdiction that may be registered by the Registrar or that is working in the neighbourhood of the society or where there is no such suitable union to the District Central Bank.

(2) The society shall contribute at the rate of eight annas on every sum of interest earned by it on the preceding year on

every Rs. 100 of loans given to members to a supervision fund which will be lodged with and administered by the Central Bank.

(3) The contribution to the supervision fund shall fall due on the date on which the audit order specifying the amount payable is communicated to the society.

Loans.

38. Loans shall be given only to members, but no member can claim a loan as a matter of right. Applications for loans shall be disposed of by the Board of Directors.

39. All applications for loans shall be made to the Secretary in the form, if any, prescribed for the purpose who shall place them before the Board of Directors.

40. Loans shall be given only for purposes which in the opinion of the Board of Directors are useful.

41. Should the Board of Directors be of opinion that a loan granted by the society has been misapplied, it shall at once take steps to recover the loan with interest without waiting for the expiry of the period for which it has been granted.

42. No member shall at any time be indebted to the society by way of principal to the extent of more than Rs. on account of any loan or loans taken by him. Subject to this limit a member may at the discretion of the Board of Directors be given a loan (*a*) not exceeding Rs. for every share held by him or four times his substantive pay, per month whichever is less, or (*b*) not exceeding 90 per cent of the amount to his credit by way of deposits in the society.

43. Interest on loans granted by the society shall for the present be charged at pies per rupee per mensem, the first month being reckoned from the date on which the loan is paid to the corresponding date of the next. Interest shall be calculated on daily balances of principal. Interest on all loans shall be paid monthly. The monthly interest shall be paid on or before the 15th of the month succeeding that to which it relates. A fine of pies per rupee per mensem will be levied on all overdue instalments of interest.

44. Loans shall be secured in one or other of the following methods:—

(1) on the security of the deposit, if any, to the credit of the borrower, not exceeding 90 per cent of the amount of such deposits;

NOTE.—The amount of a loan granted on the security and within the limit specified in this class shall not be subject to any of the stipulations to the contrary effect laid down in by-law 42 as to the maximum amount of loan ordinarily admissible to an individual member or to members of an undivided family or as to the limit calculated with reference to the number of shares held by him or them.

(2) on the joint and several responsibility of the borrower and one or two other members standing sureties for him provided that the total amount for which a member can stand surety shall not exceed Rs.   for each share held by him or four times his substantive pay per mensem whichever is less;

(3) on the mortgage of unencumbered immovable property wholly belonging to the borrower not exceeding 50 per cent of the estimated market value of such property;

(4) on the pledge of Government promissory notes or Government Savings Bank Deposits;

(5) as a joint loan as described in by-law 53; or

(6) on the personal responsibility of the borrower alone to the extent of the pay earned by the borrower till the date of application of the loan provided that he agrees to allow the pay disburser to recover that amount from his next pay.

It shall be competent for the Board of Directors to refuse to grant a loan unless the applicant shall agree in writing to permit the officer disbursing the pay to deduct instalments from his monthly pay to discharge the whole or part of the loan.

45. In granting loans, preference shall be given to loans on the security of the deposits, if any, of the borrower with the society. All other loans shall be paid in the order of their sanction.

46. The amount borrowed may be repaid, at the convenience of the borrower, in easy instalments, within the period fixed for the loan, interest after each payment being calculated on the balance of the principal due provided that no partial repayment shall be accepted other than in whole rupees.

47. The period for the repayment of each loan shall be fixed at the time of granting it according to the circumstances of the borrower and the purpose of the loan; loans shall be ordinarily repayable in not more than 16 equal monthly instalments commencing from the month succeeding that in which the loan is disbursed. But the Board of Directors shall have authority to spread repayment over a longer period and to give such extensions as may seem desirable from time to time provided that the total period including extensions shall not exceed   months in all and provided further that in the case of suretyship loans no loan extension shall be granted without obtaining the written consent thereto of the sureties. Instalments of repayment of any loan shall be fixed without prejudice to the monthly subscriptions prescribed under by-law 4. When a borrower is absent from duty for a whole month, no recovery will be made for that month but where the absence lasts for only a fraction of the month, the amount to be recoverable should

roughly bear the same proportion to the ordinary repayment instalment as the actual pay received by a borrower for the month bears to the full month's pay. The monthly instalments shall be paid on or before the 15th of the month succeeding that to which it relates. Should a borrower be unable to pay a prescribed instalment of principal, the Board of Directors may for satisfactory reasons and with the general permission of the Registrar suspend the payment of that instalment by the grant of an extension for that amount. If a borrower is in arrears for any instalments of principal or interest and the Board of Directors does not deem it necessary to grant an extension the whole outstanding loan becomes recoverable and the Board of Directors may and if the default continues for a period of more than three months shall at once close the account. On overdue instalments of principal, interest at the rate of   pies per rupee per mensem shall be levied. All cases of extensions shall be reported to the general body and to the Registrar at least once a year.

48. The amount of paid-up share capital, deposit and any other moneys to the credit of a member or a past member shall be subject to a first charge in favour of the society in respect of any moneys due to the society from such member or past member. The society shall be at liberty to appropriate the whole or any portion of such paid-up share capital or deposit or any other money to the moneys due by the member to the society.

49. When a member from whom money is due pays any sum it shall be appropriated in the following order:—

Firstly, to fees, fines, postal, registration and other miscellaneous charges due by him,

Secondly, to interest, and

Thirdly, to principal.

50. When a loan is cancelled by the Board of Directors under by-law 41 on account of its misapplication, the loan account shall at once be closed. When an account is so closed or closed under by-law 47, the Board of Directors shall inform the borrower of the fact and of the amount outstanding against him including interest up to the date of closing the loan account. On the total amount so found due, the borrower shall be charged interest at   pies per rupee per mensem from the date of closing the loan account to the date of recovery and steps shall be taken without delay to recover the amount.

51. When a surety dies or ceases to be a member under by-law 4 or 9 or 36 the principal borrower shall at once inform the society of the fact and either repay immediately the loan due from him with interest up to the date of payment or execute a fresh bond with one or more fresh sureties acceptable to the Board of Directors. If arrangements are not made to repay the loan within a time to be fixed by the Board of Directors or if a fresh surety or sureties are not produced, or when a member who has

borrowed from the society on the mortgage of immovable property borrows elsewhere on the mortgage of the same property or sells the property already mortgaged to the society without the previous sanction of the Board of Directors, his loan account shall at once be closed without reference to the period for which the loan was given and action taken as laid down in by-law 50. In respect of such accounts also interest shall be charged at pies per rupee per mensem from the date of closing the loan account to the date of recovery.

52. If a member becomes ineligible for membership at any time and his name has on that account to be removed from the list of members under by-law 4 or 9 or should a member be expelled under by-law 36, the loan account, if any, of the member concerned shall at once be closed without reference to the term for which the loan has been granted and action shall be taken to recover from the borrower the amount outstanding against him including interest up to the date of closing the loan account. Interest shall be charged at pies per rupee per mensem on the amount so found outstanding from the date of closing the loan account to the date of recovery.

Joint loans.

53. On an application in writing (in the form to be prescribed from time to time) of five or more members the Board of Directors may grant a joint loan to the members so applying subject to such rules as may from time to time be framed by the Board of Directors with a view to supply the domestic and other requirements, provided that—

(1) the number of members of any joint loan be not less than five or more than twenty;

(2) the period for which the joint loan runs be not more than fifteen months;

(3) the total amount of any joint loan be not more than Rs. 1,000 but shall not exceed Rs. 50 per share of the members who apply;

(4) each joint borrower shall be required to state in the application the quantity of the domestic and other articles he requires and the maximum price he is prepared to pay and shall further bind himself to pay all incidental expenses at a rate to be finally settled by a sub-committee as constituted below;

(5) the members applying for the joint loan be jointly and severally responsible for any loss arising by any of the members of the joint loan failing to fulfil their engagement and the society, as a whole, shall not be held responsible for such loss;

(6) the general provisions regarding loans set out thereafter shall apply as far as possible to the moneys due from each

of the members subscribing to the joint loan, interest running from the month in which the society has to borrow to meet the joint application;

(7) the operations of purchase and distribution shall be conducted by a sub-committee consisting of a member of the Board of Directors to be elected by the members thereof and one of the members subscribing to the joint loan to be elected by the subscribers;

(8) in the case of difference of opinion between the members of the sub-committee, the decision of the Board of Directors shall be final; and

(9) it will be open to the sub-committee after obtaining the sanction of the Board of Directors to supplement the joint loan sanctioned by the Board of Directors with contributions from the subscribing members, but the society will have a prior lien on the commodity purchased to the extent of the joint loan and incidental expenses, if any, incurred by the Board of Directors.

Joint purchase.

54. The Board of Directors may purchase wholesale the domestic and other requirements of the members; but in making such a purchase it shall act only as the agent of the members and shall accept no liability for any loss occurring in the transaction. Purchases shall be made only to the extent of the requirements of those members who are able to pay in cash or to whom the society is able to give a loan for the purpose of payment or who shall authorize the officer disbursing their pay to deduct from their next month's pay and to hand over to the society the value of the articles purchased. Accounts showing these transactions shall be maintained in such forms as the Registrar may prescribe. Subsidiary by-laws may be framed by the Board of Directors for purposes of these purchases subject to their approval by the Registrar.

Profits.

55. The net profits of the society as declared by the Registrar every year shall be disposed of as shown below:—

(1) Twenty-five per cent shall be carried to the credit of the reserve fund;

(2) out of the remainder per cent may be paid as honorarium to the Secretary and the Assistant Secretary in accordance with a subsidiary by-law framed by the Board of Directors with the approval of the Registrar;

(3) out of the remainder, a dividend subject to a maximum of 9 per cent per annum on the paid-up value of each share may be paid to members proportionately to the amount of paid-up share capital held by each and also to the period during which the paid-up share capital was so held during the year;

(4) seven and a half per cent may be paid to the common good fund to be utilized for any of the purposes mentioned in section 2 of Act VI of 1890 (India) namely if the general body so wish;

(5) the balance, if any, shall be added to the reserve fund.

All undisbursable and indivisible profits shall be added to the reserve fund.

56. (1) The reserve fund shall belong to the society as a whole and is intended to meet unforeseen losses. It shall be indivisible and no member shall have any claim to a share in it. It may be drawn upon with the special sanction of the Registrar to meet unforeseen losses.

(2) On the dissolution of the society the reserve fund together with the other funds contributed by the society in accordance with its by-laws, including the common good fund and the dividend equalization fund, shall be applied by the liquidator to the discharge of such liabilities of the society as may remain undischarged out of the assets of the society in the following order, namely:—

(*a*) the debts of the society;

(*b*) the paid-up share capital; and

(*c*) the dividend on paid-up share capital, at a rate not exceeding 9 per cent per annum, for any period or periods for which no dividend has been paid.

(3) Any surplus funds remaining after the payments mentioned in sub-rule (2) shall be utilized in the following manner and subject to the following conditions, namely:—

"(i) The surplus funds shall be utilized for such object of public utility within the area in which the dissolved society carried on its operations as may be selected by its general body at a meeting and approved by the Registrar. The funds shall, until they are disbursed for such object, be kept invested in a financing bank and it shall be the duty of the committee of such bank to see that any amount withdrawn is spent properly and to allow withdrawal of funds in instalments as the work for which they are intended progresses to its satisfaction.

(ii) If within thirty days after the issue of notice by the liquidator appointed to wind up the affairs of the society, the general body fails to make any selection that is approved by the Registrar, the Registrar may place the surplus funds in deposit or otherwise with a financing bank working in the area in which the dissolved society carried on its operations, until a new co-operative society with similar objects is registered in such area, in which case the funds shall be credited

to the reserve fund of such society. If, in the opinion of the Registrar, there is no prospect of a new society being formed in such area within a reasonable time, the Registrar shall assign the amount to the Bad Debts Reserve or the Reserve Fund of the financing bank working in such area."

56A. If, however, at any time the general body resolves to split the society into more than one society by excluding a portion of the existing area of operations from the operations of the society and a new society or societies be registered to cover the area so excluded a portion of the reserve fund shall be transferred to the society or societies as decided upon by the general body which resolves upon the splitting of the original society.

Miscellaneous.

57. No amendment to, alteration in, or cancellation of, a by-law nor the enactment of a new by-law shall be made except at a general meeting of the members or shall take effect until it shall have been approved by the Registrar.

58. Should any doubt arise as to the construction of the Act or any by-law, the Board of Directors shall refer the same to the Registrar of Co-operative Societies for advice and act according to his advice.

59. The society shall prepare annually in such form as may be prescribed by the Registrar (*a*) a statement showing the receipts and disbursements for the year, (*b*) a profit and loss account, (*c*) a balance sheet, and (*d*) such other statements as may be prescribed by the Registrar. These statements shall be made up to 30th June and a copy of each shall be sent to the Registrar within fifteen days after the close of the co-operative year ending 30th June. After the Registrar has verified the statements and granted his audit certificate, the society shall publish such of the prescribed statements as he may direct in the manner prescribed by him.

60. If any dispute touching the business of the society (other than a dispute regarding disciplinary action taken by the society or its committee against a paid servant of the society) arises—

(*a*) among members, past members, and persons claiming through members and deceased members, or

(*b*) between a member, past member or person claiming through a member, past member or deceased member and the soceity, its committee or any officer, agent or servant of the society, or

(*c*) between the society or its committee and any past committee, any officer, agent or past servant or the nominee, heirs or legal representatives of any deceased officer, deceased agent or deceased servant of the society, or

(*d*) between the society and any other registered society, such dispute shall be referred to the Registrar for decision.

The Registrar may, on receipt of such reference,—

(i) decide the dispute himself, or

(ii) transfer it for disposal to any person who has been invested by the Local Government with powers in that behalf, or

(iii) refer it for disposal to an arbitrator or arbitrators.

The decision or award of the Registrar or the person to whom the reference was transferred or by the arbitrator or arbitrators to whom it was referred shall be final, subject to the provisions of sub-section (5) of section 51 of the Co-operative Societies Act and it may be enforced in any one of these ways—

(*a*) by an application made to the Collector of the district through the Registrar of Co-operative Societies requesting that the amount due under the decision or award may be recovered in the same manner as arrears of land revenue;

(*b*) by an application to the civil court, having jurisdiction over the subject-matter of the decision or award requesting that the court may enforce the decision or award as if it were a decree of the court; or

(*c*) by an application to the Registrar of the district in which the cause of action arose, that the decision or award be enforced as provided in rule XXII of the rules framed under the Madras Co-operative Societies Act.

61. If any sum belonging to the society is either stolen or otherwise lost and found irrecoverable or if any loan due to the society is found otherwise irrecoverable either wholly or in part, it shall be open to the general body to write off such amount after obtaining the sanction of the union and of the Central Bank to which the society is affiliated or of the Registrar and of the Central Bank, if it is not affiliated to any union.

62. Any amount due by the society and not claimed within the period of limitation allowed by the Indian Limitation Act shall be added to the Reserve Fund of the society.

APPENDIX.

Special by-laws to be introduced or not—Optional.

When a mortgage deed is executed by a member, the Board of Directors shall insist on all persons interested in the property joining in the execution whether such persons are themselves members, or not.

When a member who has mortgaged a house or a building to the society desires to make any addition, improvement or other alteration to the same, he shall apply to the Board of Directors for permission to do so and he shall not make any alteration before obtaining such permission. Before according sanction the Board may call for a plan showing the alterations proposed and may insist upon security being furnished for the mortgage amount pending completion of the work. The Board of Directors shall not in any case permit an alteration which is likely to reduce the market value of the mortgage property so as to endanger the security.

In the case of an application for a loan on the security of immovable property the application shall be accompanied by the title-deeds and other documents relating to the property. All immovable property proposed to be mortgaged shall be inspected by two members of the Board of Directors who may be deputed to do so by the Board. The surveyors so appointed shall submit an accurate estimate of the market value of the immovable property and report of all persons having any interest in such property. In each case the applicant for the loan shall pay an estimate fee of As. 4 for every Rs. 100 of the loan applied for.

The fee collected under this by-law shall be paid to the two members of the Board of Directors who act as surveyors.

Members of the Board of Directors appointed surveyors shall, in all cases, be held strictly responsible for the correctness of their reports, estimates and valuations.

It shall be competent to the Board of Directors to reject any report, estimate or valuation made by any surveyor on the basis of information at their disposal.

BY-LAWS OF THE CO-OPERATIVE THRIFT SOCIETY, LIMITED, No.

Name, constitution and address.

The Co-operative Thrift Society, Limited, No. , is registered as a co-operative society under Act VI of 1932 (India). Its address shall be village, post, in the taluk of in the district. Its operations shall be confined to . Loans may, however, be granted to members on the security of their immovable property situate in

Objects.

2. The objects of the society shall be—

(i) to encourage the habit of thrift among members by giving them facilities to save money and to teach them that "one who cannot save cannot borrow money";

(ii) to borrow money from members and lend it to them for useful purposes;

(iii) to act as the agent for the joint purchase of the domestic and other requirements of members; and

(iv) generally to encourage self-help and co-operation among members.

Membership.

3. The liability of the members of the society shall be limited to the share capital subscribed by them.

4. The capital of the society shall for the present be Rs. , made up of shares of rupee one each. The value of each share shall be paid in one lump sum on allotment.

5. Any person over eighteen years of age, who is competent to contract residing within the limits referred to in the third sentence of by-law 1 shall be eligible for admission as a member; but no person can claim admission as a matter of right.

6. Applications for admission as members and for allotment of shares shall be made to the Secretary in the form, if any, prescribed by the society for the purpose. Every such application shall be disposed of by the Board of Directors who shall have power to grant admission or to refuse it without assigning reasons.

7. Every member shall take at least one share, but no member shall take more than shares. Every member shall pay an entrance fee of annas for each share taken by him at

the time of taking the share, provided that the total payment of entrance fees by any one member for all the shares held by him shall not exceed Rs. .

8. No member shall be permitted to withdraw any of the shares held by him in the society within years after the date when such shares were taken by him. But a member may withdraw shares with the consent of the Board of Directors after such period provided firstly that he has given at least six months' notice of withdrawal, secondly that the total amount of share capital that is permitted to be withdrawn in any one year does not exceed 10 per cent of the aggregate paid-up share capital of the society as it was on June 30th preceding, and thirdly that there are no debts due from him to the society. When a member withdraws shares under this by-law, he shall be paid back the share capital actually paid by him with the dividend declared, if any. The 10 per cent limit to which the withdrawal of share capital in any one year is restricted in this by-law shall cover all withdrawals except those made under by-laws 9, 10 and 41.

9. Should a member cease to be eligible for membership either on account of the removal of his residence from the limits prescribed in by-law 1 or for any other cause, the society shall remove his name from the list of members and shall pay back within a reasonable period to such member the share capital actually paid by him with the dividend declared, if any, after deducting therefrom the money, if any, due from him to the society.

10. (1) If a member dies, his membership shall *ipso facto* cease.

(2) (*a*) Every member of the society may nominate any person to succeed, in the event of his death, to his share or interest in the society. Such nomination shall, in the event of his death, be given effect to by the society provided—

(i) the nomination was signed by the deceased in the presence of at least two witnesses attesting the same;
(ii) the nomination has been registered in the books of the society kept for the purpose; and
(iii) the person nominated shall have been admitted by the Board of Directors, as a member of the society under by-law 6.

(*b*) In the event of there being no person nominated by the deceased and entitled to succeed to his share or interest in the society, the heir or legal representative of the deceased, or any person nominated by such heir or legal representative within one month of the death of the deceased member, shall be entitled to succeed thereto provided such heir or legal representative or his nominee shall have been admitted by the Board of Directors as a member of the society under by-law 6.

(*c*) In the event of there being no person entitled to succeed under clause (*a*) or (*b*) of this by-law to the share or interest of a deceased member of the society, the society shall pay to the

nominee of the deceased or to his heir or legal representative, as the case may be, a sum representing the deceased member's share or interest at the time of his death ascertained in accordance with the by-laws of the society.

11. (1) A past member shall be liable, as provided in by-law 3, for the debts due by the society, as they existed on the date when he ceased to be a member, for a period of two years from such date.

(2) The estate of a deceased member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date of his decease, for a period of two years after his decease.

12. No member shall be permitted to transfer his share or shares or create a charge in respect of the same in favour of another member or person except with the previous sanction of the Board of Directors.

13. With the sanction of the Board of Directors a member may at any time increase the number of shares held by him so as not to exceed the limit of   shares laid down in by-law 7.

14. Every member shall during the period of his membership, be a subscriber to the thrift fund referred to in by-law 22, or to the provident fund referred to in by-law 21 or to the savings and loan fund referred to in by-law 15. When the monthly subscription of a member to the provident fund or to the loan and savings fund is less than the monthly minimum sum, which he should pay to the thrift fund in accordance with by-law 22, the difference shall be paid into the thrift fund. When a member becomes a defaulter in payment of his subscriptions to either of the three funds referred to above as prescribed in by-laws 15, 21 and 22, his membership in the society shall for that reason cease and if any loan is outstanding against him it shall become immediately repayable, irrespective of the period for which it was given.

15. Any number of members may, with the permission of the Board of Directors, form themselves into one or more groups and subscribe to a savings and loan fund the object of which is to enable the subscribers to save money or obtain a loan for the purchase of house or landed property. The management of the fund shall rest with a Panchayat of seven elected by the subscribers from among themselves. The collections made by way of subscriptions may be given as loans to the subscribers, any surplus being invested with the society on such terms as the Board of Directors may from time to time decide. The society as such shall not be responsible for any loss arising out of the administration of the savings and loan fund by its Panchayat. The Panchayat shall have no power to borrow money either from the society or from elsewhere and shall use only the subscription collected in giving loans to the members of its group. The Panchayat shall maintain the necessary accounts separately to show the transactions of the fund. The Panchayat shall contribute to the society annually such amount as

may be determined by the Board of Directors for the service rendered by the society to the fund.

The subscribers shall frame subsidiary by-laws regulating the management of the fund and the by-laws so framed shall be subject to the approval of the Board of Directors and the Registrar of Co-operative Societies. The subsidiary by-laws so framed shall provide for, among other things, the rate and the method of payment of the subscriptions, the period for which it should be paid, the amount of loan which can be given to the subscribers, the rate of interest payable on loans given and the disposal of the net profit, if any.

Deposits.

16. Deposits may, at the discretion of the Board of Directors, be received at any time only from members.

17. There shall be six classes of deposits, (A) Fixed, (B) Recurring, (C) Savings, (D) Provident Fund, (E) Thrift Fund and (F) Chit Funds.

Fixed Deposits.

18. (i) A fixed deposit is the deposit of a fixed amount of money for a fixed period of time. No fixed deposit shall be received for a sum less than Rs. 5 or for a period less than six months. No individual shall however have to his credit more than Rs.   at any time.

(ii) Interest shall ordinarily be calculated on fixed deposits at a rate not exceeding 5 per cent per annum.

(iii) The interest on a fixed deposit shall cease on the expiry of the period for which the deposit was made, unless notice in writing of the intention to renew the deposit for a further period of not less than six months has been received in the office of the society before the expiry of the original period. The society is not, however, bound to renew a fixed deposit after the expiry of the period for which it was made, but in case of such refusal interest shall be payable at the former rate until the date of such refusal.

Recurring deposit.

19. A recurring deposit is a deposit made by a person who undertakes to pay to the society every month a fixed amount of one rupee or a multiple or a sub-multiple thereof for a period of 12, 24, 45, 84, or 132 months. The accumulated deposit will be paid back within one month after the expiry of the stipulated period with interest calculated at 5 per cent per annum. Every recurring depositor shall pay his monthly deposit before the end of the calendar month to which it relates, failing which he shall be charged a fine of one pie per rupee per month or fraction thereof on every rupee overdue. Should a recurring depositor be in arrears to the extent of a sum equivalent to or more than four monthly instalments, his deposit account shall at once be closed. It shall however be competent to the Board of Directors, if they think fit to reopen the account provided the prescribed fine due up to date is paid or

to pay back the amount actually paid by the depositor together with interest on the amount of deposits actually made calculated at a rate not exceeding two-thirds of the original rate provided the deposit amount was held by the society for a period of at least one year. It shall be open to the society to credit the whole or part of the amount due to him towards any money due from the depositor to the society. It shall be competent to a recurring depositor with the consent of the Panchayat, to alter the nature of his recurring deposit to any of the categories of such deposits prescribed in by-law 17.

Savings deposits.

20. (i) The Board of Directors may permit any person to open a savings deposit account with the society. The minimum amount that a person shall hold in the account shall be Rs. and the maximum that can be received from a depositor in any one year shall be Rs. and the amount to his credit at any time shall not exceed Rs. .

(ii) Interest shall be calculated on the savings deposit at not more than per cent per annum on the lowest credit balance on any date of each month. A depositor cannot withdraw money from his savings deposit account unless previous notice of at least one month of such withdrawal in each case has been given. No notice of any kind is, however, necessary for withdrawals from such account up to a limit of Rs. 200 in a week (Monday to Saturday inclusive).

(iii) Every savings depositor will be supplied with a pass-book for which he shall be charged annas. If the pass-book is lost he shall be charged annas for the supply of a fresh pass-book.

Provident fund deposits.

21. (i) Provident fund deposits are intended to afford facilities to members to make provision (1) for themselves against physical incapacity and old age, (2) for their families and dependents in the event of their death, while in business and (3) for special occasions and purposes such as children's education, marriage and starting them in life.

(ii) Any member may subscribe to provident deposits on his behalf or on behalf of any member of his family or dependents for whose benefit the deposit is intended.

(iii) The deposit should be monthly and in whole rupees for a number of years, not less than seven and not more than thirty, to be fixed by the subscriber at the time of joining. It shall be open to the subscriber to increase the number of years at any time. The minimum monthly deposit shall be rupee one and the maximum rupees twenty-five which can, however, be increased with the sanction of the Registrar. An admission fee of annas four for every rupee one of deposits taken shall be levied from non-members.

(iv) The deposit for a month should be paid by the last day of each calendar month, failing which a fine of two pies in the rupee per month or fraction thereof shall be charged. The account of a

subscriber shall be closed if he is in arrear for a period of six months in which case the amount to his credit less the fine for the period for which he was in default will be kept to the credit of the depositor for repayment on maturity of the account with $6\frac{1}{4}$ per cent compound interest added yearly. It shall, however, be open to the Board of Directors to excuse the default in exceptional cases with proper explanations on payment of penal interest.

(v) The interest to be allowed on provident fund deposits shall be $6\frac{1}{4}$ per cent per annum, that is, one pie per rupee per month compound interest added yearly but the general body reserves the right to reduce this rate at any time for persons who become subscribers to the fund after it has announced its intention of reducing the rate.

(vi) A provident fund deposit account will be closed at the end of the stipulated number of years or on the subscriber's earlier death, and the accumulated amounts due as per Appendix A, will be paid to him or his nominee or to his family in accordance with the declaration that may be left by him or otherwise as below—

(*a*) Each subscriber shall as soon as he joins the fund furnish a form of declaration as in Appendix B, showing how he wishes the amount of his accumulations to be disposed of on his death.

(*b*) Any form of declaration submitted by a subscriber is revocable at any time and from time to time.

(*c*) If any member fails to furnish the declaration above prescribed or if for any reasons the party or parties mentioned in the declaration are not available or entitled to receive it, the amount will be paid to the subscriber's legal representative.

(vii) A subscriber on his proved physical incapacity or under any other circumstances which in the opinion of the Board of Directors and the Registrar deserves special consideration may, however, be permitted to withdraw the deposit at his credit before the date of maturity.

(viii) Subject to the above by-laws, no final withdrawal of provident fund will be allowed. But when the pecuniary circumstances of a member are such that indulgence is absolutely necessary, a temporary advance not ordinarily exceeding 50 per cent of the sum to his credit may be granted at the discretion of the Board of Directors for necessary and useful purposes.

(ix) Advance will be recovered at the discretion of the Board of Directors in not more than 36 monthly instalments, which should be fixed with reference to the repaying capacity of each subscriber.

(x) All advances will bear interest at $9\frac{3}{8}$ per cent per annum but overdue instalments will be charged interest at 2 pies per rupee per mensem. The loan amount of such a borrower shall be closed if he is in arrear in repayment of monthly instalments for a period of six months when his provident fund deposits account shall also be closed and the amount due adjusted from it.

(xi) Every depositor shall be supplied with a pass-book for which he shall be charged four annas. If the pass-book is lost he shall be charged six annas for the supply of a fresh pass-book.

APPENDIX A.

Number of years.	Amount paid to the society.	Amount payable by the society.		
	RS.	RS.	A.	P.
1	12	12	5	6
2	24	25	7	4
3	36	39	6	3
4	48	54	3	1
5	60	69	14	9
6	72	86	10	2
7	84	104	6	3
8	96	123	4	1
9	108	143	4	10
10	120	164	9	7
11	132	187	3	8
12	144	211	4	4

APPENDIX B.

Deposit No.

THE PROVIDENT FUND.

Form of declaration.

(* For Subscriber.)

I hereby declare that in the event of my death the amount at my credit in the Provident Fund shall be distributed among the persons mentioned below in the manner shown against their names.

The amount due to nominee who is a minor at the time of my death should be paid to the person whose name appears in column (5).

Name and address of the nominee or nominees. (1)	Relationship with the subscriber. (2)	Whether major or minor; if minor state his age. (3)	Amount of share of deposit. (4)	Name and address of the person to whom payment is to be made on behalf of the minor. (5)	Sex and percentage of person mentioned in column. (5) (6)

* Here state married or unmarried.

Two witnesses
to signature.

STATION,

Dated 19 ,

Signature of subscriber

Thrift fund.

22. Every member shall, so long as he continues to be a member, pay according to his income a monthly subscription to a fund called the thrift fund. The minimum and the maximum subscription which a member shall pay according to his income is indicated below :—

Amount of monthly income.	Minimum.			Maximum.		
	RS.	A.	P.	RS.	A.	P.
Not exceeding Rs. 25	0	4	0	1	0	0
Exceeding Rs. 25, but not exceeding Rs. 50.	0	8	0	2	0	0
Exceeding Rs. 50, but not exceeding Rs. 100.	1	0	0	3	0	0
Exceeding Rs. 100, but not exceeding Rs. 250.	2	0	0	5	0	0
Exceeding Rs. 250	3	0	0	25	0	0

The exact amount between the minimum and the maximum which a member wishes to pay each month shall be indicated by him at the time of admission. The amount once indicated shall have to be paid for at least a year. Whenever there is an addition to or reduction in the income a corresponding increase or decrease may be made but only at the commencement of a co-operative year.

No member need pay after he accumulates to his credit Rs. 2,000. Interest shall be calculated on the outstanding balances at the end of each month at the rate of 5 per cent, per annum and credited to the account on the last day of each co-operative year. The agreed monthly subscription shall be paid on or before the last day of the month to which it relates. A fine of 2 pies per rupee per mensem shall be levied on all overdue instalments of subscriptions.

If a member is in default of 6 months' subscriptions the Board of Directors may remove his name from the list and pay back the amount actually to his credit, that is to say with interest added up to the end of the previous co-operative year. When his name is thus removed from the list any loan which he has taken from the society and outstanding against him shall become immediately repayable and steps shall be taken to collect the amount found due without delay. No subscriber shall be permitted to withdraw subscriptions either in whole or in part during the continuance of his membership in the society. He may, however, take a loan on the security of his subscriptions under by-law 49. When a person withdraws his membership from the society he may withdraw his subscription paid under this by-law with interest up to the end of the month previous to the one in which the amount is withdrawn.

Chit funds.

23. On an application of 10 or more members the Board of Directors may start and conduct chit funds to secure savings and frame rules for that purpose subject to the following conditions :—

(*a*) the number of members of a single chit fund shall be not less than 10 and not more than 24;

(*b*) the total amount of any chit fund shall not be more than Rs. 2,400;

(*c*) the period during which a chit is to run shall be not less than 10 and not more than 24 months;

(*d*) every chit member must subscribe for at least one share but no member can take more than three shares;

(*e*) the method of disposal of a chit amount shall be under the auction system under which the pool or amount subscribed by all the members is knocked down to the member who bids the highest discount as consideration for drawing the pool. When there is no bid, the collection less than $4\frac{1}{2}$ per cent shall be lent to the member selected by casting lots among all the members who have not already had loans under the system or when two or more members bid the same discount, selection by casting lots shall be made among them;

(*f*) the discount in disposing of any chit fund shall be not less than 3 per cent and not more than 6 per cent;

(*g*) the members applying for the starting of a chit fund shall be jointly and severally responsible for any loss arising by any member or members of the chit failing to fulfil their engagements and the society as a whole shall not be responsible for such loss;

(*h*) the Board of Directors shall have full discretion in the matter of obtaining security from members to whom the chit amount is allotted;

(*i*) out of the discount or interest collected, one anna in the rupee shall be appropriated by the society towards the cost of establishment, the remainder being distributed among the members of the fund in the proportion of their shares;

(*j*) any sums due to the society by members who are also subscribers to a chit fund may at the discretion of the Board of Directors be deducted from the chit amount or discount or interest when it falls to them.

Management.

24. Subject to such resolutions as the general body may from time to time pass, the executive management of the affairs of the society shall vest in a Board of Directors. The Board of Directors shall consist of not more than   members.

25. (i) The members of the Board of Directors shall be elected by the general body for a period of one year from among the members. (ii) Members of the Board of Directors shall continue in office after the expiry of their term of office, until by election another Board is constituted. (iii) A retiring member of the Board of Directors shall be eligible for re-election. (iv) After the Board of Directors is elected by the general body, they shall elect from among themselves a President, a Secretary and an Assistant Secretary. Interim vacancies on the Board of Directors may be filled

up by the remaining members of the Board by co-option for the unexpired portion of the period. Any member or members of the Board of Directors may at any time be removed by a resolution of the general body.

26. The Board of Directors shall meet once a fortnight or oftener if necessary to conduct the affairs of the society. No decision of the Board of Directors shall be valid unless it is assented to by at least   members. All questions before the Board of Directors shall be decided by a majority of votes. And should there be an equality of votes, the president or other presiding member shall have a casting vote. No member of the Board of Directors shall be present at a meeting of the Board when any matter in which he is personally interested is being discussed. In case of urgency where there may not be sufficient time to convene a meeting of the Board of Directors and in all cases in which such a procedure may, from time to time, be prescribed by the Board of Directors, the Secretary may obtain the orders of the Board of Directors by circulation of papers among the members present at the headquarters of the society. Such decisions arrived at by circulation shall be placed before the next meeting of the Board of Directors for their $\frac{\text{ratification}}{\text{information}}$. Should a difference of opinion arise in the course of such circulation, the matter shall not be decided by circulation but shall be placed before a meeting of the Board of Directors.

27. Should a member of the Board of Directors absent himself from four consecutive meetings of the Board, he shall cease to be a member of the Board of Directors but may be reinstated by the Board of Directors.

28. Subject to such resolutions as the Board of Directors may from time to time pass the several officers of the society shall have the powers mentioned below :—

(*a*) the President shall have a general control over all the affairs of the society and shall ex-officio be the Treasurer and shall have the custody of all the properties of the society. He shall also have power to appoint the members of the establishment as well as to fine, suspend or dismiss them subject in the last two cases to the approval of the Board of Directors ;

(*b*) the Secretary shall be responsible for the executive administration of the society subject to the control of the President;

(*c*) the $\frac{\text{Secretary}}{\text{President}}$ shall be the officer to sue or be sued on behalf of the society and all bonds in favour of the society shall be in the name of the $\frac{\text{Secretary}}{\text{President}}$;

(*d*) the Assistant Secretary shall help the Secretary. Should the Secretary or the Assistant Secretary require relief from work, it shall be competent to the President to grant such

relief, making suitable arrangements for the conduct of work by one or more of the members of the Board of Directors.

29. (i) Any member of the Board of Directors who commits default in respect of a loan taken by him from the society shall *ipso facto* be considered disqualified to continue as such. (ii) But if the default has been for a period of three months or less, the defaulter may be reinstated by the general body on his showing good cause for the default. (iii) In no circumstance shall a defaulter continue to hold office as a member of the Board of Directors if his default has continued for more than three months, and in this case the vacancy shall be filled by co-option by the remaining members of the Board of Directors under by-law 25, the Director so vacating being disqualified for co-option during the remaining period of the Board's tenure of office.

30. Receipts shall be issued for all moneys paid to the society. For moneys paid by members the receipt shall be signed by the President or the Secretary or the Assistant Secretary whoever is selected by the Board of Directors to discharge this function. In the case of borrowings from non-members or from other societies, the receipt or bond shall be executed by at least members of the Board of Directors of whom the Secretary or the President shall be one.

31. It shall be the duty of the Board of Directors to maintain such accounts and registers as are prescribed by rule V of the rules under the Act and by the Registrar from time to time, to place before a general body meeting of the members the Registrar's notes of audit or inspection within one month from the date of receipt, to correspond with the Registrar and to do all other business relating to the society.

32. The Board of Directors shall have power to prescribe from time to time the scale of office establishment and to incur such expenditure as may be necessary for the management of the society with reference to the scale and within the budget allotment sanctioned by the general body for each year. It shall be competent to the Secretary to incur petty contingent expenditure subject to a maximum of Re. 1 for any item.

33. The Board of Directors shall be competent to fix the amount and nature of the security, if any, to be given by the office establishment.

34. It shall be competent to the Board of Directors to frame subsidiary by-laws for the conduct of the business of the society consistent with the Act, the rules under the Act and these by-laws. Such subsidiary by-laws shall be entered in the minute book of the society and they shall be reported to the Registrar of Co-operative Societies for approval.

35. The services of the members of the Board of Directors shall be gratuitous except as provided for in by-law 58.

General body.

36. The ultimate authority in all matters relating to the administration of the society shall be the general body of the members who shall meet from time to time and at least once a year to conduct the work of the society. The following among other matters shall be dealt with by the general body :—

(1) the election and removal of the Board of Directors;
(2) the annual report due to the Registrar of Co-operative Societies;
(3) the Registrar's annual audit certificate;
(4) the amendment or repeal of any existing by-law or the enactment of a new by-law;
(5) the expulsion of a member;
(6) the consideration of any complaint which any individual member may prefer against the Board of Directors; and
(7) the returns that may be prescribed by the Local Government; and
(8) the annual budget.

36A. The general body shall not, however, interfere with the action of the Board of management in respect of matters specifically delegated to it under the by-laws.

37. A meeting of the general body of the members may be convened whenever necessary, for the conduct of the business by the Board of Directors and shall be so convened by the Board of Directors at the request of 15 or more members or at the instance of the Registrar or by a member of the governing body specially deputed by a resolution of the governing body of the union to which the society is affiliated.

38. It shall be the duty of every member to attend the meetings of the general body. The quorum for a general body meeting shall be or one-fourth of the total number of members on the list at the time whichever is less.

39. The President, when present, shall preside at the meetings of the general body. In his absence the body may choose a chairman from their number to preside at the meeting. Every member present shall have one and only one vote. All questions shall be decided by a majority of votes of the members present and voting. When votes are equal, the chairman of the meeting shall have a casting vote.

40. days' notice shall ordinarily be given to members before a meeting of the general body is convened.

41. If a member deceives the society in any way, or if his general conduct is such as to render his removal necessary in the interests of the society, it shall be open to the general body to expel such member. An expelled member shall be paid all moneys due to him from the society, after deducting therefrom any money due from him to the society. A member who drives the society to Court

to recover the money due from him shall, for that reason, be expelled from membership. An expelled member shall be liable, as provided in by-law 3 for the debts due by the society as they stood on the date of his expulsion, for a period of two years after such expulsion.

42. (i) The general body shall have authority to affiliate the society to any co-operative union (with suitable jurisdiction) that may be registered by the Registrar or that is working in the neighbourhood of the society or where there is no such suitable union to the District Federation.

(ii) Towards the expenses of such union, the society shall contribute such sum as is fixed by the governing body of the union. If any dispute arises between the society and the union in regard to the amount levied, the matter shall be referred to the Registrar and his decision shall be final.

(iii) The contribution to the supervision fund shall fall due on the date on which the audit certificate specifying the amounts payable is communicated to the society.

Loans.

43. Loans shall be given only to members, but no member can claim a loan as a matter of right. Applications for loans excepting those mentioned below shall be disposed of by the Board of Directors.

Loans not exceeding Rs.   may in emergent cases be sanctioned by the President on the recommendation of the Secretary subject to the ratification of the Board of Directors at its next meeting.

44. All applications for loans shall be made to the Secretary in the form, if any, prescribed for the purpose who shall place them before the Board of Directors.

45. Loans shall be given to members only for the following purposes :—

(i) Education of their children or other dependents,
(ii) Heavy expenses connected with prolonged or serious illness or major operations.
(iii) Marriage expenses not exceeding Rs. 200, and
(iv) Expenses connected with death not exceeding Rs. 100.

46. Should the Board of Directors be of opinion that a loan granted by the society has been misapplied, it shall at once take steps to recover the loan with interest without waiting for the expiry of the period for which it has been granted.

47. No member shall at any time be indebted to the society by way of principal to the extent of more than Rs.   on account of any loan or loans taken by him. Subject to the above maximum a member shall be eligible for a loan not exceeding Rs.   for each share held by him. Members belonging to an undivided

family shall not be given in the aggregate a loan in excess of the amount admissible to a single individual member. In the case of wage-earners no member shall be given loans in excess of times his salary.

48. Interest on loans granted by the society shall for the present be charged at $6\frac{1}{4}$ per cent per annum.

Interest on all loans shall be paid monthly; but the Board of Directors can permit a borrower to pay interest in half-yearly or yearly instalment in the case of agriculturists and persons who have no monthly income. The monthly interest shall be paid on or before the 15th of the month succeeding that to which it relates. A fine of two pies per rupee per mensem will be levied on all over-due instalments of interest.

49. Loans shall be secured in one or other of the following methods :—

(1) On the security of the deposit, if any, to the credit of the borrowers not exceeding 90 per cent of the amount of such deposits.

Note.—The amount of a loan granted on the security and within the limit specified in this clause shall not be subject to any of the stipulations to the contrary effect laid down in by-law 47 as to the maximum amount of loan ordinarily admissible to an individual member or to members of an undivided family or as to the limit calculated with reference to the number of shares held by him or them.

(2) On the mortgage of unencumbered immovable property wholly belonging to the borrower not exceeding 50 per cent of the estimated market value of such property.

(3) On the pledge of Government promissory notes or Government Savings Bank deposits.

50. In granting loans, preference shall be given to loans on the security of the deposits, if any, of the borrower with the society. All other loans shall be paid in the order of their sanction.

51. The amount borrowed may be repaid at the convenience of the borrower, in easy instalments, within the period fixed for the loan, interest after each payment being calculated on the balance of the principal due provided that no partial repayment shall be accepted other than in whole rupees.

52. The period for the repayment of each loan shall be fixed by the President in the cases in which he acts under by-law 43 and by the Board of Directors in all other cases according to the purpose of the loan. The period of repayment shall in no case exceed 3 years.

53. The amount of paid-up share capital, deposit and any other money to the credit of a member or a past member shall be subject to a first charge in favour of the society in respect of any moneys due to the society from such member or past member. The society shall be at liberty to appropriate the whole or any portion of such paid-up share capital or deposit or any other money to the moneys due by the member to the society.

54. When a member from whom money is due pays any sum it shall be appropriated in the following order :—

Firstly, to fees, fines, postal, registration and other miscellaneous charges due by him;

Secondly, to interest; and

Thirdly, to principal.

55. When a loan is cancelled by the Board of Directors under by-law 46 on account of its misapplication, the loan account shall at once be closed. When an account is so closed the Board of Directors shall inform the borrower of the fact and of the amount outstanding against him including interest up to the date of closing the loan account. On the total amount so found due, the borrower shall be charged interest at 1½ pies per rupee per mensem from the date of closing the loan account to the date of recovery and steps shall be taken without delay to recover the amount.

56. If a member becomes ineligible for membership at any time and his name has on that account to be removed from the list of members under by-law 9 or should a member be expelled under by-law 41 the loan account, if any, of the member concerned shall at once be closed without reference to the term for which the loan has been granted and action shall be taken to recover from the borrower the amount outstanding against him including interest up to the date of closing the loan account. Interest shall be charged at 1½ pies per rupee per mensem on the amount so found outstanding from the date of closing the loan account to the date of recovery.

Joint purchase.

57. The Board of Directors may purchase wholesale the domestic and other requirements of the members; but in making such a purchase it shall act only as the agent of the members and shall accept no liability for any loss occurring in the transaction. Purchase shall be made only to the extent of the requirements of those members who are able to pay in cash or to whom the society is able to give a loan for the purpose of payment. Accounts showing these transactions shall be maintained in such forms as the Registrar may prescribe. Subsidiary by-laws may be framed by the Board of Directors for purposes of these purchases subject to their approval by the Registrar.

Profits.

58. (1) Twenty-five per cent of the net profits of the society as declared by the Registrar every year shall be carried to the credit of the reserve.

(2) Out of the remainder, a dividend subject to a maximum of 9 per cent per annum on the paid-up value of each share may be paid to members proportionately to the amount of paid-up share capital held by each and also to the period during which the paid-up share capital was so held during the year.

(3) Out of the remainder—

(*a*) an honorarium not exceeding per cent of the net profits may be paid to the Secretary;

(*b*) a sum not exceeding 7½ per cent of the net profits may be paid to a common good fund to be utilized for any of the purposes mentioned in section 2 of the Charitable Endowments Act VI of 1890 (India), namely, if the general body so wish;

(*c*) a sum not exceeding per cent of the net profits may be carried to a building fund if the general body so wish;

(4) Any profits not allotted in the manner aforesaid in any year shall be forthwith added to the reserve fund.

All undisbursable and indivisible profits shall be added to the reserve fund.

Reserve fund.

59. (1) The reserve fund shall belong to the society as a whole and is intended to meet unforeseen losses. No member can claim a share in it. It shall be invested in such manner as the Registrar of Co-operative Societies prescribes and shall not be drawn upon except with his sanction.

(2) On the dissolution of the society the reserve fund and other funds contributed by it under provisions of its by-laws shall be applied—

(i) to discharging such liabilities of the society as may remain undischarged after the enforcement in full of the liability of the members of the society,

(ii) to the repayment of the share capital paid up, and

(iii) to the payment of dividend upon such share capital at a rate not exceeding 9 per cent per annum for any period or periods for which no dividend has been paid.

(3) Such portion of these funds as shall remain after payments mentioned in sub-clause (2) shall be applied to such local objects of public utility as may be selected by the general body and approved of by the Registrar. If within three months of the final closing up of the society the general body fails to make any selection that is approved of by the Registrar the latter may use the abovementioned portion of the funds in supporting other co-operative societies in the neighbourhood or shall place the same on interest or otherwise with some co-operative bank until a new co-operative society with a similar area of operations is registered in which event the funds shall be credited to the reserve fund of such society.

60. If, however, at any time, the general body resolves to split the society into more than one society by excluding a portion of the existing area of operations from the operations of the society and a new society or societies be registered to cover the area so excluded, a portion of the reserve fund shall be transferred to the society or societies as decided upon by the general body which resolves upon the splitting of the original society.

61. No amendment to, alteration in, or cancellation of, a by-law nor the enactment of a new by-law shall be made except at a general meeting of the members or shall take effect until it shall have been approved by the Registrar.

Miscellaneous.

62. Should any doubt arise as to the construction of the Act or any by-law, the Board of Directors shall refer the same to the Registrar of Co-operative Societies for advice and act according to his advice.

63. The society shall prepare annually in such form as may be prescribed by the Registrar (*a*) a statement showing the receipts and disbursements for the year, (*b*) a profit and loss account, (*c*) a balance sheet and (*d*) such other statements as may be prescribed by the Registrar.

These statements shall be made up to 30th June and a copy of each shall be sent to the Registrar within fifteen days after the close of the co-operative year ending 30th June. After the Registrar has verified the statements and granted his audit certificate, the society shall publish such of the prescribed statements as he may direct in the manner prescribed by him.

64. In the case of a dispute touching the business of the society between members or past members of the society, or persons claiming through a member or past member or between a member or past member, or persons so claiming and the Board of Directors, a reference in writing may be made by any party to the Registrar. Similarly, in the case of a dispute relating to a debt due to the society by a member or past member or persons claiming through a member or past member, a reference in writing may be made by either party to the Registrar. The Registrar shall have power, on receipt of such reference, either to decide the dispute himself or refer it to an arbitrator appointed by him or to several arbitrators of whom one shall be appointed by him and one other by each of the parties to the dispute. The decision or award of the Registrar or of the arbitrator or arbitrators as the case may be shall be final and it may be enforced in either of these ways—

(*a*) by an application made to the Collector of the district through the Registrar of Co-operative Societies requesting that the amount due under the decision or award may be recovered in the same manner as arrears of land revenue;

(*b*) by an application to the Civil Court having jurisdiction over the subject-matter of the decision or award requesting that the Court may enforce the decision or award as if it were a decree of the Court;

(*c*) by an application to the Registrar of the district under section 57-A of the Madras Co-operative Societies Act VI of **1932.**

65. Should any sum belonging to the society be either stolen or otherwise lost and found irrecoverable, it shall be open to the general body to write off such amounts after obtaining the sanction of the union to which the society is affiliated or the Registrar in case the society is not affiliated to any union.

APPENDIX.

Special by-laws to be introduced or not—Optional.

When a mortgage deed is executed by a member, the Board of Directors shall insist on all persons interested in the property joining in the execution whether such persons are themselves members or not.

When a member who has mortgaged a house or a building to the society desires to make any addition, improvement or other alteration to the same, he shall apply to the Board of Directors for permission to do so and he shall not make any alteration before obtaining such permission. Before according sanction the Board may call for a plan showing the alterations proposed and may insist upon security being furnished for the mortgage amount pending completion of the work. The Board of Directors shall not in any case permit an alteration which is likely to reduce the market value of the mortgage property so as to endanger the security.

In the case of an application for a loan on the security of immovable property the application shall be accompanied by the title-deeds and other documents relating to the property. All immovable property proposed to be mortgaged shall be inspected by two members of the Board of Directors who may be deputed to do so by the Board. The surveyors so appointed shall submit an accurate estimate of the market value of the immovable property and report of all persons having any interest in such property. In each case the applicant for the loan shall pay an estimate fee of As. 4 for every Rs. 100 of the loan applied for.

The fee collected under this by-law shall be paid to the two members of the Board of Directors who act as surveyors.

Members of the Board of Directors appointed surveyors shall, in all cases, be held strictly responsible for the correctness of their reports, estimates and valuations.

It shall be competent to the Board of Directors to reject any report, estimate or valuation made by any surveyor on the basis of information at their disposal.

BY-LAWS OF THE MUNICIPAL SUPERIOR EMPLOYEES' CO-OPERATIVE SOCIETY, LIMITED, No.

Name, constitution and address.

The Municipal Superior Employees' Co-operative Society, Limited, No. , is registered as a co-operative society under Act VI of 1932 (Madras). Its address shall be post, in the taluk of in the district. Its operations shall be confined to the municipal limits of

Objects.

2. The objects of the society shall be—

(1) to borrow funds from members or others to be utilized for loans to members for useful purposes;

(2) to act as the agent for the joint purchase of the domestic and other requirements of its members; and

(3) generally, to encourage thrift, self-help and co-operation among the members.

Membership.

3. The liability of the members of the society shall be limited to the share capital subscribed by them.

4. The capital of the society shall, for the present, be Rs. made up of shares of Rs. each. The value of each share shall be paid either in one lump sum on allotment or in instalments. When paid in instalments Rs. shall be paid at the time of taking the share and the balance in months commencing from the month subsequent to that in which the share was taken. The monthly instalment shall be paid on or before the 15th day of the month to which it relates. The month in this by-law means the British calendar month. A member who has elected to pay the share value in instalments may pay the whole or any portion of the balance at any stage in advance. If a member is in arrears to the extent of a sum equivalent to or more than three monthly instalments his name may be removed from the list of members in which case he shall be paid back, after a period of six months/at once, the share capital actually paid by him after deducting therefrom the moneys, if any, due from him to the society. If the payment is not made on the due date a fine of pies per rupee per mensem will be levied and the defaulter will be debarred from exercising the privileges of membership. It shall be competent for the Board of Directors to refuse to admit

a person as a member unless the applicant shall agree in writing to permit the Municipal Chairman to deduct the instalments of share capital from his pay.

4A. Every member shall be required to pay to the society a monthly subscription at one of the following rates which shall be determined by his monthly salary on the date of his admission into the society, salary being understood as in the Fundamental Rules:—

Pay per month.	Subscription.
Rs. 1 to 25	4 annas.
,, 26 to 100	8 ,,
,, 101 and above	1 rupee.

When a member's subscription has run for 20 months it shall be carried to the fixed deposit account and it shall not be withdrawable.

5. (*a*) Any person employed in the municipality and residing within the area of operations mentioned in by-law 1 may become a member and continue as such provided that no person can claim admission as a member as a matter of right. When such qualification ceases to exist, the member shall cease to be a member.

No person who is already a member of another co-operative credit society, whether limited or unlimited except a Land Mortgage Bank, shall be admitted as or be a member of this society.

(*b*) No member who has been expelled by the society or by any other society shall be eligible for readmission as a member of the society for a period of two years from the date of such expulsion, provided that the Registrar may, in special circumstances, sanction the readmission of any such member within the said period as a member of the society.

(*c*) No person shall be eligible for admission as a member of the society if he is an applicant to be adjudicated a bankrupt or an insolvent or is an uncertified bankrupt or an undischarged insolvent.

Any member of the society who applies to be adjudicated a bankrupt or an insolvent shall cease to be a member of the society.

6. Applications for admission as members and for allotment of shares shall be made to the Secretary in the form, if any, prescribed by the society for the purpose. Every such application shall be disposed of by the Board of Directors who shall have power to grant admission or to refuse it without assigning reasons.

7. Every member shall take at least one share, but no member shall take more than shares. Every member shall pay an entrance fee of annas for each share taken by him at the time of taking the share provided that the total payment of entrance fees by any one member for all the shares held by him shall not exceed Rs.

8. No member shall be permitted to withdraw any of the shares held by him in the society within years after the date when shares were taken by him. But a member may withdraw shares with the consent of the Board of Directors after such period provided, firstly that he has given at least six months' notice of withdrawal, secondly, that the total amount of share capital that is permitted to be withdrawn in any one year does not exceed 10 per cent of the aggregate paid-up share capital of the society as it was on June 30th preceding, thirdly, that there are no debts due from him to the society and fourthly, that there are no debts due to the society in regard to which he has stood surety. When a member withdraws shares under this by-law, he shall be paid back the share capital actually paid by him with the dividend declared, if any.

The 10 per cent limit to which the withdrawal of share capital in any one year is restricted in this by-law shall cover all withdrawal except those made under by-laws 9, 10 and 36.

9. Should a member cease to be eligible for membership either on account of the removal of his residence from the limits prescribed in by-law 1 or for any other cause, the Board of Directors may remove his name from the list of members and pay back within a reasonable period to such member the share capital actually paid by him with the dividend declared after deducting therefrom the debts, if any, due from him to the society either as principal debtor or as surety; provided however that a member who is transferred out of such limits before the end of the co-operative year or before the loan he has obtained is fully repaid the Board of Directors may permit him to continue to be a member till the co-operative year is over so as to enable him to get the dividend on his share capital and till the full period of his deposits or repayment of his loan is over, subject to the condition that if he has obtained a surety loan and if the sureties express their unwillingness to continue as sureties on account of his transfer, the member shall execute another bond for the balance due with fresh sureties.

10. (1) If a member dies, his membership shall *ipso facto* cease.

(2) (*a*) Every member of the society may nominate any person to succeed, in the event of his death, to his share or interest in the society. Such nomination shall, in the event of his death, be given effect to by the Board of Directors provided—

(i) the nomination was signed by the deceased in the presence of at least two witnesses attesting the same;

(ii) the nomination has been registered in the books of the society kept for the purpose; and

(iii) the person nominated shall have been admitted by the Board of Directors as a member of the society under by-law 6.

(*b*) In the event of there being no person nominated by the deceased member who is qualified in accordance with the by-laws for membership of the society, the society shall transfer the share or interest of the deceased member to such person as may appear to the committee to be the heir or legal representative of the deceased or to any person nominated by such nominee, heir or legal representative within one month of the death of the deceased member, provided such heir or legal representative or nominee shall have been admitted by the committee as a member of the society under by-law 6.

(*c*) In the event of there being no person qualified to succeed under clause (*a*) or (*b*) of this by-law to the share or interest of a deceased member, the society shall pay to the nominee of the deceased or to the heir or legal representative as the case may be, a sum representing the deceased member's share or interest at the time of his death, ascertained in accordance with the by-laws of the society.

(3) Subject as aforesaid, the society may pay all other moneys due to the deceased member from the society, to the person nominated by him in accordance with clause (2) (*a*) of this by-law or to such person as may appear to the committee to be the heir or legal representative of the deceased member, as the case may be.

11. (1) A past member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date when he ceased to be a member, for a period of two years from such date.

(2) The estate of a deceased member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date of his decease, for a period of two years after his decease.

12. No member shall be permitted to transfer his share or shares or create a charge in respect of the same in favour of another member or person except with the previous sanction of the Board of Directors.

13. With the sanction of the Board of Directors a member may, at any time, increase the number of shares held by him so as not to exceed the limit of   shares laid down in by-law 7.

Deposits.

14. Deposits may, at the discretion of the Board of Directors, be received at any time from members or non-members.

15. Deposits from members shall be given preference to deposits from non-members.

16. There shall be classes of deposits (A) fixed, (B) recurring, (C) savings, (D) current, (E) homesafe and (F) chit funds:—

A.—Fixed deposits.

(i) A fixed deposit is the deposit of a fixed amount of money for a fixed period of time. No fixed deposit shall be received for a sum less than Rs. 5 or an exact multiple thereof, or for a period less than six months.

(ii) Interest shall ordinarily be calculated on fixed deposits at a rate not exceeding per cent per annum. Should a fixed deposit from a member or from a co-operative society be made for a period of not less than one year, the deposit being not less than Rs. 100, interest may be paid thereon at a rate not exceeding per cent per annum. Interest on fixed deposits shall be paid yearly or at such shorter intervals as may have been agreed upon at the time of deposit.

(iii) The interest on a fixed deposit shall cease on the expiry of the period for which the deposit was made, unless notice in writing of the intention to renew the deposit for a further period of not less than six months has been received in the office of the society before the expiry of the original period. The society is not, however, bound to renew a fixed deposit after the expiry of the period for which it was made, but in case of such refusal interest shall be payable at the former rate until the date of such refusal.

B.—Recurring deposits.

A recurring deposit is a deposit made by a person who undertakes to pay to the society every month a fixed amount of one rupee or a multiple or a sub-multiple thereof for a period of 12, 24, 45, 84 or 132 months. A depositor paying one rupee per mensem for a period of 12, 24, 45, 84 or 132 months shall, before the close of the 14th, 26th, 47th, 86th and 134th month, receive a sum of Rs. 12–6–3, Rs. 25–8–0, Rs. 50, Rs. 102–8–0, or Rs. 180–8–0, respectively, as the case may be, out of which the sum of Rs. 12, Rs. 24, Rs. 45, Rs. 84, or Rs. 132 shall be debited in the accounts as repayment of principal and the balance as interest thereon. Every recurring depositor shall pay his monthly deposit before the end of the calendar month to which it relates, failing which he shall be charged a fine of two pies per rupee per month or fraction thereof on every rupee overdue. Should a recurring depositor be in arrears to the extent of a sum equivalent to or more than four monthly instalments, his deposit account shall at once be closed. It shall however be competent to the Board of Directors if they think fit to reopen the account provided the prescribed fine due up to date is paid or to pay back the amount actually paid by the depositor together with interest on the amount of deposits actually made calculated at a rate not exceeding two-thirds of the original

rate, provided the deposit amount was held by the society for a period of at least one year. It shall be open to the society to credit the whole or part of the amount due to him towards any moneys due from the depositor to the society. It shall be competent to a recurring depositor with the consent of the Board of Directors to alter the nature of his recurring deposit to any of the categories of such deposits prescribed in this by-law.

C.—Savings deposits.

(i) The Board of Directors may permit any person to open a savings deposit account with the society. The minimum amount that a person shall hold in the account shall be Rs. and the maximum that can be received from a depositor in any one year shall be Rs. and the amount to his credit at any time shall not exceed Rs. .

(ii) Interest shall be calculated on the savings deposit at not more than per cent per annum on the lowest credit balance on any date of each month. A depositor cannot withdraw money from his savings deposit account unless previous notice of at least one month of such withdrawal in each case has been given. No notice of any kind is, however, necessary for withdrawals from such account up to a limit of Rs. 200 in a week (Monday to Saturday inclusive).

(iii) Every savings depositor will be supplied with a pass-book for which he shall be charged annas. If the pass-book is lost, he shall be charged annas for the supply of a fresh pass-book.

D.—Current deposits.

(i) The Board of Directors may permit any person to open a current account with the society. Interest shall be calculated on current deposits at 3 per cent per annum on the lowest credit balance on any day of each month.

(ii) Every depositor shall be supplied with a pass-book for which he shall be charged annas. If the pass-book is lost, he shall be charged annas for the supply of a fresh pass-book.

E.—Homesafe deposits.

A homesafe deposit is a deposit made by a person who undertakes to deposit at his convenience in a homesafe any amount that he can spare and pay the contents thereof into the society every month for a period of 12 months. Amounts paid to the credit of a homesafe deposit account by the fourth day of the month shall carry interest from the beginning of that month; amounts paid after that date shall carry interest only from the beginning of next month. Interest shall be calculated at the rate of three-fourths of a pie per rupee per month. The total amount together with

interest accrued will be payable to the depositor in the thirteenth month. Interest shall *ipso facto* cease from the close of the twelfth month. No interest shall at any time be allowed on fractions of a rupee. Every homesafe depositor will be supplied with a pass-book free of charge and with a homesafe and lock at a cost of annas. No transactions of any kind shall be effected in a homesafe deposit account without the production of the pass-book and the homesafe. A lost or spoilt pass-book or homesafe will be replaced by another on payment of or annas respectively. The key of the homesafe shall be in the custody of the society and the safe shall be opened by the President or the Secretary in the presence of the depositor or his agent who produces it for the purpose of crediting the contents thereof to the depositor's account. The depositor shall at the time of obtaining payment of the amount to his credit return the pass-book to the society. Should a homesafe depositor fail to use the safe for continued period of four months, his deposit account shall at once be closed and he shall be paid back the amounts actually paid by him, his pass-book being obtained back from him. It shall be open to the society to credit the whole or part of such amount towards any moneys due from the depositor to the society.

F.—Chit funds.

On an application of ten or more members, the Board of Directors may start and conduct chit funds to secure savings and frame rules for that purpose subject to the following conditions:—

(*a*) the number of members of a single chit fund shall be not less than 10 and not more than 24;

(*b*) the total amount of any chit fund shall not be more than Rs. 2,400;

(*c*) the period during which a chit is to run shall be not less than 10 and not more than 24 months;

(*d*) every chit member must subscribe for at least one share, but no member can take more than three shares;

(*e*) the method of disposal of a chit amount shall be under the auction system under which the pool or amount subscribed by all the members is knocked down to the member who bids the highest discount as consideration for drawing the pool. When there is no bid, the collection less $4\frac{1}{2}$ per cent shall be lent to the member selected by casting lots among all the members who have not already had loans under the system or when two or more members bid the same discount, selection by casting lots shall be made among them;

(*f*) the discount in disposing of any chit fund shall be not less than $4\frac{1}{2}$ per cent and not more than 9 per cent;

(g) the members applying for the starting of a chit fund shall be jointly and severally responsible for any loss arising by any member or members of the chit failing to fulfil their engagements and the society as a whole shall not be responsible for such loss;

(h) the Board of Directors shall have full discretion in the matter of obtaining security from members to whom the chit amount is allotted;

(i) out of the discount of interest collected, one anna in the rupee shall be appropriated by the society towards the cost of establishment, the remainder being distributed among the members of the chit fund in the proportion of their shares;

(j) any sums due to the society by members who are also subscribers to a chit fund may, at the discretion of the Board of Directors, be deducted from the chit amount or discount or interest when it falls to them.

Other borrowings.

17. It shall be competent to the Board of Directors to borrow funds otherwise than by way of deposits either from members, or from persons other than members, or from institutions registered under the Indian Companies Act or under the Co-operative Societies Act provided that the interest payable on the borrowed amount shall not, in any case, exceed   per cent per annum.

Maximum borrowing limit.

18. The total borrowing of the society both by way of deposits or otherwise and whether from members or others shall not at any time exceed   times the paid-up share capital plus the reserve fund.

Management.

19. Subject to such resolutions as the general body may from time to time pass, the executive management of the affairs of the society shall vest in a Board of Directors. The Board of Directors shall consist of not more than   members.

20. The members of the Board of Directors shall be elected by the general body for a period of one year from among the members. Members of the Board of Directors shall continue in office after the expiry of their term of office, until by election another Board is constituted. A retiring member of the Board of Directors shall be eligible for re-election. After the Board of Directors is elected by the general body, they shall elect from among themselves a President, a Secretary and an Assistant Secretary. Interim vacancies on the Board of Directors may be filled up by the remaining members of the Board by co-option for the unexpired portion of the period except in cases contemplated in by-law 24. Any member or members of the Board of Directors may at any time be removed by a resolution of the general body.

21. The Board of Directors shall meet once a fortnight or oftener, if necessary, to conduct the affairs of the society. No decision of the Board of Directors shall be valid unless it is assented to by at least   members. All questions before the Board of Directors shall be decided by a majority of votes and should there be an equality of votes, the President or other presiding member shall have a casting vote. No member of the Board of Directors shall be present at a meeting of the Board when any matter in which he is personally interested is being discussed. In case of urgency where there may not be sufficient time to convene a meeting of the Board of Directors and in all cases in which such a procedure may, from time to time, be prescribed by the Board of Directors, the Secretary may obtain the orders of the Board of Directors by circulation of papers among the members present at the headquarters of the society. Such decisions arrived at by circulation shall be placed before the next meeting of the Board of Directors for their $\frac{\text{ratification}}{\text{information}}$. Should a difference of opinion arise in the course of such circulation, the matter shall not be decided by circulation but shall be placed before a meeting of the Board of Directors.

22. Should a member of the Board of Directors absent himself from four consecutive meetings of the Board, he shall cease to be a member of the Board of Directors but may be reinstated by the Board of Directors.

23. Subject to such resolutions as the Board of Directors may from time to time pass the several officers of the society shall have the powers mentioned below:—

(*a*) The President shall have a general control over all the affairs of the society and shall ex-officio be the treasurer and shall have the custody of all the properties of the society. He shall also have power to appoint the members of the establishment as well as to fine, suspend or dismiss them subject in the last two cases to the approval of the Board of Directors.

(*b*) The Secretary shall be responsible for the executive administration of the society subject to the control of the President.

(*c*) The $\frac{\text{Secretary}}{\text{President}}$ shall be the officer to sue or be sued on behalf of the society and all bonds in favour of the society shall be in the name of the $\frac{\text{Secretary}}{\text{President}}$.

(*d*) The Assistant Secretary shall help the Secretary. Should the Secretary or the Assistant Secretary require relief from work, it shall be competent to the President to grant such relief, making suitable arrangements for the conduct of work by one or more of the members of the Board of Directors.

24. No member who at the time is in default to the society in respect of any loan or loans taken by him shall be elected as a member of the Board of Directors of the society or to represent the society in another society and vote. Any member of the society who has been appointed as a member of the Board of Directors of the society or to the committee of another society or to represent the society in another society and vote, shall cease to hold his appointment as such, if he is in default to the society for a period of three months. He shall be disqualified for re-election as a Director for a period of six months from the date of his ceasing to hold his appointment as a Director.

25. Receipts shall be issued for all moneys paid to the society. For moneys paid by members, the receipt shall be signed by the President or the Secretary or the Assistant Secretary whoever is selected by the Board of Directors to discharge this function. In the case of borrowings from non-members or from other societies, the receipt or bond shall be executed by at least   members of the Board of Directors, of whom the Secretary or the President shall be one.

26. It shall be duty of the Board of Directors to maintain such accounts and registers as are prescribed by rule V of the rules under the Act and by the Registrar from time to time, to place before a general body meeting of the members the Registrar's notes of audit or inspection within one month from the date of receipt, to correspond with the Registrar and to do all other business relating to the society.

27. The Board of Directors shall have power to prescribe from time to time the scale of office establishment and to incur such expenditure as may be necessary for the management of the society with reference to the scale and within the budget allotment sanctioned by the general body for each year. It shall be competent to the Secretary to incur petty contingent expenditure subject to a maximum of Re. 1 for any item.

28. The Board of Directors shall be competent to fix the amount and nature of the security, if any, to be given by the office establishment.

29. It shall be competent to the Board of Directors to frame subsidiary by-laws for the conduct of the business of the society consistent with the Act, the rules under the Act and these by-laws. Such subsidiary by-laws shall be entered in the minute book of the society and shall take effect only after the approval of the Registrar of Co-operative Societies.

30. The services of the members of the Board of Directors shall be gratuitous except as provided for in by-law 55.

General body.

31. The ultimate authority in all matters relating to the administration of the society shall be the general body of the members who shall meet from time to time and at least once a year to conduct the work of the society. The following among other matters shall be dealt with by the general body:—

(1) the election and removal of the Board of Directors;
(2) the annual report due to the Registrar of Co-operative Societies;
(3) the Registrar's annual audit certificate;
(4) the amendment or repeal of any existing by-law or the enactment of a new by-law;
(5) the expulsion of a member;
(6) the consideration of any complaint which any individual member may prefer against the Board of Directors; and
(7) the returns that may be prescribed by the Local Government.

32. The Board of Directors may, at any time, call a general meeting of the society for the conduct of business and shall call such a meeting within one month after receipt of a requisition in writing from 15 or more members, or from the Registrar of Co-operative Societies or from a member of the governing body specially deputed by a resolution of the union to which the society is affiliated or from a financing bank to which the society is indebted.

33. It shall be the duty of every member to attend the meetings of the general body. The quorum for a general body meeting shall be   or one-fourth of the total number of members on the list at the time, whichever is less.

34. The president, when present, shall preside at the meetings of the general body. In his absence the body may choose a chairman from their number to preside at the meeting. Every member present shall have one and only one vote. All questions shall be decided by a majority of votes of the members present and voting. When votes are equal, the chairman of the meeting shall have a casting vote.

35.   day's notice shall ordinarily be given to members before a meeting of the general body is convened.

Notice for a general meeting may be given to members in one or more of the following modes:—

(i) by means of tom-tom in the village;
(ii) by affixing a copy of the notice for the meeting in some conspicuous place in the village and in the office of the society; and
(iii) by circulation of the notice book and getting signatures of members in it.

If there is any irregularity in the service of notice, it shall not invalidate the proceedings. The general body shall be convened by a resolution of the Board of Directors.

36. If a member deceives the society in any way, or if his general conduct is such as to render his removal necessary in the interest of the society, it shall be open to the general body to expel such member. An expelled member shall be paid all moneys due to him from the society, after deducting therefrom any moneys due from him to the society. A member who compels the society to execute the decrees, decisions or awards obtained against him for the recovery of moneys due from him shall, for that reason, be expelled from membership. An expelled member shall be liable, as provided in by-law 3, for the debts due by the society as they stood on the date of his expulsion for a period of two years after such expulsion.

37. (1) The general body shall have authority to affiliate the society to any co-operative union with suitable jurisdiction that may be registered by the Registrar or that is working in the neighbourhood of the society.

(2) The society shall contribute at the rate of 8 annas on every sum of interest earned by it in the preceding year on every Rs. 100 of loans given to members to a supervision fund which will be lodged with and administered by the Central Bank.

(3) The contribution to the supervision fund shall fall due on the date on which the audit certificate specifying the amount payable is communicated to the society.

Loans.

38. Loans shall be given only to members, but no member can claim a loan as a matter of right. Applications for loans shall be disposed of by the Board of Directors.

39. All applications for loans shall be made to the Secretary in the form, if any, prescribed for the purpose, who shall place them before the Board of Directors.

40. Loans shall be given only for purposes which in the opinion of the Board of Directors are considered useful.

41. Should the Board of Directors be of opinion that a loan granted by the society has been misapplied it shall at once take steps to recover the loan with interest without waiting for the expiry of the period for which it has been granted.

42. No member shall at any time be indebted to the society by way of principal to the extent of more than Rs.   on account of any loan or loans taken by him. Subject to this limit a member may at the discretion of the Board of Directors be

given a loan (*a*) not exceeding Rs. 16 for every share held by him or four times his substantive pay per month, whichever is less, or (*b*) not exceeding 90 per cent of the amount to his credit by way of deposits in the society.

43. Interest on loans granted by the society shall for the present be charged at pies per rupee per mensem, the first month being reckoned from the date on which the loan is paid to the corresponding date of the next. Interest shall be calculated on daily balances of principal. Interest on all loans shall be paid monthly. The monthly interest shall be paid on or before the 15th of the month succeeding that to which it relates. A fine of pies per rupee per mensem will be levied on all overdue instalments of interest.

44. Loans shall be secured in one or other of the following methods:—

(1) on the security of the deposit, if any, to the credit of the borrower not exceeding 90 per cent of the amount of such deposits;

NOTE.—The amount of a loan granted on the security and within the limit specified in this clause shall not be subject to any of the stipulations to the contrary effect laid down in by-law 42 as to the maximum amount of loan ordinarily admissible to an individual member or to members of an undivided family or as to the limit calculated with reference to the number of shares held by him or them.

(2) on the joint and several responsibility of the borrower and one or two other members standing sureties for him, provided that the total amount for which a member can stand surety shall not exceed Rs. for each share held by him or four times his substantive pay per mensem whichever is less;

(3) on the mortgage of unencumbered immovable property wholly belonging to the borrower not exceeding 50 per cent of the estimated market value of such property;

(4) on the pledge of Government promissory notes or Government Savings Bank Deposits;

(5) as a joint loan as described in by-law 53; or

(6) on the personal responsibility of the borrower alone to the extent of the pay earned by the borrower till the date of the application of the loan provided that he agrees to allow the municipal chairman to recover that amount from his next month's pay.

It shall be competent for the Board of Directors to refuse to grant a loan unless the applicant shall agree in writing to permit the municipal chairman to deduct instalments from his monthly pay to discharge the whole or part of the loan.

45. In granting loans, preference shall be given to loans on the security of the deposits, if any, of the borrower with the society. All other loans shall be paid in the order of their sanction.

46. The amount borrowed may be repaid at the convenience of the borrower, in easy instalments, within the period fixed for the loan, interest after each payment being calculated on the balance of the principal due provided that no partial repayment shall be accepted other than in whole rupees.

47. The period for the repayment of each loan shall be fixed at the time of granting it according to the circumstances of the borrower and the purpose of the loan; loans shall be ordinarily repayable in not more than 16 equal monthly instalments commencing from the month succeeding that in which the loan is disbursed. But the Board of Directors shall have authority to spread repayment over a longer period and to give such extensions as may seem desirable from time to time provided that the total period including extensions shall not exceed   months in all and provided further that in the case of suretyship loans no loan extension shall be granted without obtaining the written consent thereto of the sureties. Instalments of repayment of any loan shall be fixed without prejudice to the monthly subscriptions prescribed under by-law No. 4. When a borrower is absent from duty for a whole month, no recovery will be made for that month, but where the absence lasts for only a fraction of the month, the amount to be recoverable should roughly bear the same proportion to the ordinary repayment instalment as the actual pay received by a borrower for the month bears to the full month's pay. The monthly instalments shall be paid on or before the 15th of the month succeeding that to which it relates. Should a borrower be unable to pay a prescribed instalment of principal, the Board of Directors may, for satisfactory reasons, and with the general permission of the Registrar, suspend the payment of that instalment by the grant of an extension for that amount. If a borrower is in arrears for any instalment of principal or interest and the Board of Directors does not deem it necessary to grant an extension or the whole outstanding loan becomes recoverable and the Board of Directors may, and if the default continues for a period of more than 3 months, shall, at once close the account. On overdue instalments of principal, interest at the rate of   pies per rupee per mensem shall be levied. All cases of extensions shall be reported to the general body and to the Registrar at least once a year.

48. The amount of paid-up share capital, deposit and any other money to the credit of a member or a past member shall be subject to a first charge in favour of the society in respect of any moneys due to the society from such member or past member. The society shall be at liberty to appropriate the whole or any portion of such paid-up share capital or deposit or any other money to the moneys due by the member to the society.

49. When a member from whom money is due pays any sum, it shall be appropriated in the following order: —

Firstly, to fees, fines, postal, registration and other miscellaneous charges due by him;
Secondly, to interest; and
Thirdly, to principal.

50. When a loan is cancelled by the Board of Directors under by-law 41 on account of its misapplication, the loan account shall at once be closed. When an account is so closed or closed under by-law 47, the Board of Directors shall inform the borrower of the fact and of the amount outstanding against him including interest up to the date of closing the loan account. On the total amount so found due, the borrower shall be charged interest at pies per rupee per mensem from the date of closing the loan account to the date of recovery and steps shall be taken without delay to recover the amount.

51. When a surety dies or ceases to be a member under by-law 4 or 9 or 36, the principal borrower shall at once inform the society of the fact and either repay immediately the loan due from him with interest up to the date of payment or execute a fresh bond with one or more fresh sureties acceptable to the Board of Directors. If arrangements are not made to repay the loan within a time to be fixed by the Board of Directors or if a fresh surety or sureties are not produced, or when a member who has borrowed from the society on the mortgage of immovable property borrows elsewhere on the mortgage of the same property or sells the property already mortgaged to the society without the previous sanction of the Board of Directors, his loan account shall at once be closed without reference to the period for which the loan was given and action taken as laid down in by-law 50. In respect of such accounts also interest shall be charged at pies per rupee per mensem from the date of closing the loan account to the date of recovery.

52. If a member becomes ineligible for membership at any time and his name has on that account to be removed from the list of members under by-law 4 or 9, or should a member be expelled under by-law 36, the loan account, if any, of the member concerned shall at once be closed without reference to the term for which the loan has been granted and action shall be taken to recover from the borrower the amount outstanding against him including interest up to the date of closing the loan account. Interest shall be charged at pies per rupee per mensem on the amount so found outstanding from the date of closing the loan account to the date of recovery.

Joint loan.

53. On an application in writing (in the form to be prescribed from time to time) or five or more members, the Board of Directors may grant a joint loan to the members so applying subject to such

rules as may from time to time be framed by the Board of Directors with a view to supply the domestic and other requirements, provided that—

(1) the number of members of any joint loan be not less than five or above twenty;

(2) the period for which the joint loan runs be not more than fifteen months;

(3) the total amount of any joint loan be not more than Rs. 1,000 but shall not exceed Rs. 50 per share of the members who apply;

(4) each joint borrower shall be required to state in the application the quantity of the domestic and other articles he requires and maximum price he is prepared to pay and shall further bind himself to pay all incidental expenses at a rate to be finally settled by a sub-committee as constituted below;

(5) the members applying for the joint loan be jointly and severally responsible for any loss arising by any of the members of the joint loan failing to fulfil their engagement and the society, as a whole, shall not be held responsible for such loss;

(6) the general provisions regarding loans set out thereafter shall apply as far as possible to the moneys due from each of the members subscribing to the joint loan, interest running from the month in which the society has to borrow to meet the joint application;

(7) the operations of purchase and distribution shall be conducted by a sub-committee consisting of a member of the Board of Directors to be elected by the members thereof and one of the members subscribing to the joint loan to be elected by the subscribers;

(8) in the case of difference of opinion between the members of the sub-committee, the decision of the Board of Directors shall be final; and

(9) it will be open to the sub-committee after obtaining the sanction of the Board of Directors to supplement the joint loan sanctioned by the Board of Directors with contributions from the subscribing members, but the society will have a prior lien on the commodity purchased to the extent of the joint loan and incidental expenses, if any, incurred by the Board of Directors.

Joint purchase.

54. The Board of Directors may purchase wholesale the domestic and other requirements of the members; but in making such a purchase it shall act only as the agent of the members and shall accept no liability for any loss occurring in the transaction. Purchase shall be made only to the extent of the requirements of those members who are able to pay in cash or to whom

the society is able to give a loan for the purpose of payment or who shall authorize the municipal chairman to deduct from their next month's pay and to hand over to the society the value of the articles purchased. Accounts showing these transactions shall be maintained in such forms as the Registrar may prescribe. Subsidiary by-laws may be framed by the Board of Directors for purposes of these purchases subject to their approval by the Registrar.

Profits.

55. The net profits of the society as declared by the Registrar every year shall be disposed of as shown below:—

(1) Twenty-five per cent shall be carried to the credit of the reserve fund;

(2) out of the remainder per cent may be paid as honorarium to the Secretary and the Assistant Secretary to be divided among themselves in accordance with a subsidiary by-law framed by the Board of Directors with the approval of the Registrar;

(3) out of the remainder, a dividend subject to a maximum of 9 per cent per annum on the paid-up value of each share may be paid to members proportionately to the amount of paid-up share capital held by each and also to the period during which the paid-up share capital was so held during the year;

(4) seven and a half per cent may be paid to the common good fund to be utilised for any of the purposes mentioned in section 2 of Act VI of 1890 (India) namely, . . if the general body so wish; and

(5) the balance, if any, shall be added to the reserve fund.

All undisbursable and indivisible profits shall be added to the reserve fund.

56. (1) The reserve fund shall belong to the society as a whole and is intended to meet unforeseen losses. It shall be indivisible and no member shall have any claim to a share in it. It may be drawn upon with the special sanction of the Registrar to meet unforeseen losses.

(2) On the dissolution of the society the reserve fund together with the other funds contributed by the society in accordance with its by-laws, including the common good fund and the dividend equalization fund, shall be applied by the liquidator to the discharge of such liabilities of the society as may remain undischarged out of the assets of the society in the following order, namely:—

(*a*) the debts of the society;

(*b*) the paid-up share capital; and

(*c*) the dividend on paid-up share capital, at a rate not exceeding 9 per cent per annum, for any period or periods for which no dividend has been paid.

(3) Any surplus funds remaining after the payments mentioned in sub-rule (2) shall be utilised in the following manner and subject to the following conditions, namely:—

(i) The surplus funds shall be utilized for such object of public utility within the area in which the dissolved society carried on its operations as may be selected by its general body at a meeting and approved by the Registrar. The funds shall, until they are disbursed for such object, be kept invested in a financing bank and it shall be the duty of the committee of such bank to see that any amount withdrawn is spent properly and to allow withdrawal of funds in instalments as the work for which they are intended progresses to its satisfaction.

(ii) If within 30 days after the issue of notice by the liquidator appointed to wind up the affairs of the society, the general body fails to make any selection that is approved by the Registrar, the Registrar, may place the surplus funds on deposit or otherwise with a financing bank working in the area in which the dissolved society carried on its operations, until a new co-operative society with similar objects is registered in such area, in which case the funds shall be credited to the reserve fund of such society. If, in the opinion of the Registrar, there is no prospect of a new society being formed in such area within a reasonable time, the Registrar shall assign the amount to the bad debts reserve or the reserve fund of the financing bank working in such area.

56A. If, however, at any time the general body resolves to split the society into more than one society by excluding a portion of the existing area of operations from the operations of the society and a new society or societies be registered to cover the area so excluded, a portion of the reserve fund shall be transferred to the society or societies as decided upon by the general body which resolves upon the splitting of the original society.

Miscellaneous.

57. No amendment to, alteration in, or cancellation of, a by-law nor the enactment of a new by-law shall be made except at a general meeting of the members or shall take effect until it shall have been approved by the Registrar.

58. Should any doubt arise as to the construction of the Act or any by-law, the Board of Directors shall refer the same to the Registrar of Co-operative Societies for advice and act according to his advice.

59. The society shall prepare annually in such form as may be prescribed by the Registrar (*a*) a statement showing the receipts and disbursements for the year, (*b*) a profit and loss account, (*c*) a balance sheet and (*d*) such other statements as may be prescribed by the Registrar. These statements shall be made up to 30th June and a copy of each shall be sent to the Registrar within fifteen days after the close of the co-operative year ending 30th June. After the Registrar has verified the statements and granted his audit certificate the society shall publish such of the prescribed statements as he may direct in the manner prescribed by him.

60. If any dispute touching the business of the society (other than a dispute regarding disciplinary action taken by the society or its committee against a paid servant of the society) arises—

(*a*) among members, past members and persons claiming through members and deceased members, or

(*b*) between a member, past member or person claiming through a member, past member or deceased member and the society, its committee or any officer, agent or servant of the society, or

(*c*) between the society or its committee and any past committee, any officer, agent or past servant or the nominee, heirs or legal representatives of any deceased officer, deceased agent or deceased servant of the society, or

(*d*) between the society and any other registered society

such dispute shall be referred to the Registrar for decision.

The Registrar may, on receipt of such reference—

(i) decide the dispute himself, or

(ii) transfer it for disposal to any person who has been invested by the Local Government with powers in that behalf, or

(iii) refer it for disposal to an arbitrator or arbitrators.

The decision or award of the Registrar or the person to whom the reference was transfered or by the arbitrator or arbitrators to whom it was referred shall be final, subject to the provisions of sub-section 5 of section 51 of the Co-operative Societies Act, and it may be enforced in any one of these ways:—

(*a*) by an application made to the Collector of the district through the Registrar of Co-operative Societies requesting that the amount due under the decision or award may be recovered in the same manner as arrears of land revenue;

(*b*) by an application to the civil court having jurisdiction over the subject-matter of the decision or award requesting that the court may enforce the decision or award as if it were a decree of the Court; and

(c) by an application to the Registrar of the district in which the cause of action arose, that the decision or award be enforced as provided in rule XXII of the rules framed under the Madras Co-operative Societies Act.

61. If any sum belonging to the society is either stolen or otherwise lost and found irrecoverable or if any loan due to the society is found otherwise irrecoverable either wholly or in part, it shall be open to the general body to write off such amount after obtaining the sanction of the union and of the Central Bank to which the society is affiliated or of the Registrar and of the Central Bank, if it is not affiliated to any union.

62. Any amount due by the society and not claimed within the period of limitation allowed by the Indian Limitation Act shall be added to the reserve fund of the society.

APPENDIX.

Special by-laws to be introduced or not—Optional.

When a mortgage deed is executed by a member, the Board of Directors shall insist on all persons interested in the property joining in the execution whether such persons are themselves members or not.

When a member who has mortgaged a house or a building to the society desires to make any addition, improvement or other alteration to the same, he shall apply to the Board of Directors for permission to do so and he shall not make any alteration before obtaining such permission. Before according sanction the Board may call for a plan showing the alterations proposed and may insist upon security being furnished for the mortgage amount pending completion of the work. The Board of Directors shall not in any case permit an alteration which is likely to reduce the market value of the mortgage property so as to endanger the society.

In the case of an application for a loan on the security of immovable property the application shall be accompanied by the title-deeds and other documents relating to the property. All immovable property proposed to be mortgaged shall be inspected by two members of the Board of Directors who may be deputed to do so by the Board. The surveyors so appointed shall submit an accurate estimate of the market value of the immovable property and report of all persons having any interest in such property. In each case the applicant for the loan shall pay an estimate fee of As. 4 for every Rs. 100 of the loan applied for.

The fee collected under this by-law shall be paid to the two members of the Board of Directors who act as surveyors.

Members of the Board of Directors appointed surveyors shall, in all cases, be held strictly responsible for the correctness of their reports, estimates and valuations.

It shall be competent to the Board of Directors to reject any report, estimate or valuation made by any surveyor on the basis of information at their disposal.

BY-LAYS OF THE MUNICIPAL MENIAL EMPLOYEES' CO-OPERATIVE SOCIETY No. .

Name, constitution and address.

The Municipal Menial Employees Co-operative Society No. is registered as a co-operative society under Act VI of 1932 (Madras). Its address shall be village, post in the taluk of in the district. Its operations shall be confined to the municipal limits of

Objects.

2. The objects of the society shall be—

(1) to borrow funds from members or others to be utilized for loans to members for useful purposes;

(2) to act as the agent for the joint purchase of the domestic and other requirements of its members; and

(3) generally to encourage thrift, self-help and co-operation among the members.

Membership.

3. All the members shall on the liquidation of the society be jointly and severally liable for and in respect of all its obligations.

4. The capital of the society shall for the present be Rs. made up of shares of Rs. each. The value of each share shall be paid either in one lump sum on allotment or in instalments. When paid in instalments, Rs. shall be paid at the time of taking the share and the balance in months commencing from the month subsequent to that in which the share was taken; the monthly instalments shall be paid on or before the 15th day of the month. The month in this by-law means the British calendar month. A member who has elected to pay the share value in instalments may pay the whole or any portion of the balance at any stage in advance. If a member is in arrears to the extent of a sum equivalent to or more than three monthly instalments, his name may be removed from the list of members in which case he shall be paid back after a period of six months/at once the share capital actually paid by him after deducting therefrom the moneys, if any, due from him to the society. If the payment is not made on the due date, a fine of pies per rupee per mensem will be levied and the defaulter will be debarred from exercising the privileges of membership. It shall

be competent for the panchayat to refuse to admit a person as a member unless the applicant shall agree in writing to permit the Municipal Chairman to deduct the instalments of share capital from his pay.

5. (*a*) Any member of the conservancy staff of the municipality and every employee of the municipality whose salary does not exceed Rs. 12 per mensem residing within the limits referred to in the third sentence of by-law 1 shall be eligible for admission as a member; but no person can claim admission as a matter of right.

No person who is already a member of another co-operative credit society, whether limited or unlimited, except a land mortgage bank shall be admitted as or be a member of this society.

(*b*) No member who has been expelled by the society or by any other society shall be eligible for re-admission as a member of the society for a period of two years from the date of such expulsion, provided that the Registrar may, in special circumstances, sanction the re-admission of any such member within the said period as a member of the society.

(*c*) No person shall be eligible for admission as a member of the society if he is an applicant to be adjudicated a bankrupt or an insolvent or is an uncertified bankrupt or an undischarged insolvent.

Any member of the society who applies to be adjudicated a bankrupt or an insolvent shall cease to be a member of the society.

6. Applications for admission as members and for allotment of shares shall be made to the Secretary in the form, if any, prescribed by the society for the purpose. Every such application shall be disposed of by the panchayat with the aid of the Municipal Chairman or other officer deputed by the chairman and the panchayat shall have power to grant admission or to refuse it without assigning reasons.

7. Every member shall take at least one share, but no member shall take more than   shares. Every member shall pay an entrance fee of   annas for each share taken by him at the time of taking the share, provided that the total payment of entrance fees by any one member for all the shares held by him shall not exceed Rs.   .

8. No member shall be permitted to withdraw any of the shares held by him in the society within   years after the date when such shares were taken by him. But a member may withdraw shares with the consent of the panchayat after such period provided, firstly, that he has given at least six months' notice of withdrawal, secondly, that the total amount of share capital that is permitted to be withdrawn in any one year does not exceed 10 per cent of the aggregate paid-up share capital of the society as it was on June 30th preceding thirdly, that there are no debts

due from him to the society and, fourthly, that there are no debts due to the society in regard to which he has stood surety. When a member withdraws shares under this by-law, he shall be paid back the share capital actually paid by him with the dividend declared, if any.

The ten per cent limit to which the withdrawal of share capital in any one year is restricted in this by-law shall cover all withdrawals except those made under by-laws 9, 10 and 36.

9. Should a member cease to be eligible for membership either on account of the removal of his residence from the limits prescribed in by-law 1 or for any other cause, the panchayat shall remove his name from the list of members and shall pay back within a reasonable period to such member the share capital actually paid by him with the dividend declared, if any, after deducting therefrom the moneys, if any, due from him to the society either as principal debtor or as surety.

10. (1) If a member dies, his membership shall *ipso facto* cease.

(2) (*a*) Every member of the society may nominate any person to succeed in the event of his death, to his share or interest in the society. Such nomination shall, in the event of his death, be given effect to by the panchayat, provided—

(i) the nomination was signed by the deceased in the presence of at least two witnesses attesting the same;

(ii) the nomination has been registered in the books of the society kept for the purpose; and

(iii) the person nominated shall have been admitted by the panchayat as a member of the society under by-law 6.

(*b*) In the event of there being no person nominated by the deceased member in accordance with clause (*a*) of this by-law, the share or interest of the deceased may be transferred to such person as may appear to the panchayat to be the heir or legal representative of the deceased member, provided such heir or legal representative has been admitted by the panchayat as a member of the society under by-law 6.

(*c*) The nominee of a deceased member, and if no person has been nominated, such person as may appear to the panchayat to be the heir or legal representative of the deceased, may require payment of the share or interest of the deceased member and on such request the society shall pay to the nominee, heir, or legal representative as the case may be, a sum representing the deceased member's share or interest at the time of his death, ascertained in accordance with the by-laws of the society.

(3) Subject as aforesaid, the society may pay all other moneys due to the deceased member from the society, to the person nominated by him in accordance with clause (2) (*a*) of this by-law or to such person as may appear to the committee to be the heir or legal representative of the deceased member, as the case may be.

11. (1) A past member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date when he ceased to be a member, for a period of two years from such date.

(2) The estate of a deceased member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date of his decease for a period of two years after his decease.

12. No member shall be permitted to transfer any share or shares held by him to another.

13. With the sanction of the panchayat, a member may, at any time, increase the number of shares held by him so as not to exceed the limit of shares laid down in by-law 7. But no member shall be permitted to reduce the number of shares held by him within years after the date when such shares were taken by him.

Deposits.

14. Deposits may, at the discretion of the panchayat, be received at any time from members or non-members.

15. Deposits from members shall be given preference to deposits from non-members.

16. There shall be classes of deposits—A. Fixed and B. Recurring.

A.—Fixed deposits.

(i) A fixed deposit is the deposit of a fixed amount of money for a fixed period of time. No fixed deposit shall be received for a sum less than Rs. 5 or an exact multiple thereof, or for a period less than six months.

(ii) Interest shall ordinarily be calculated on fixed deposits at a rate not exceeding per cent per annum. Should a fixed deposit from a member or from a co-operative society be made for a period of not less than one year, the deposit being not less than Rs. 100, interest may be paid thereon at a rate not exceeding per cent per annum. Interest on fixed deposits shall be paid yearly or at such shorter intervals as may have been agreed upon at the time of deposit.

(iii) The interest on a fixed deposit shall cease on the expiry of the period for which the deposit was made, unless notice in writing of the intention to renew the deposit for a further period of not less than six months has been received in the office of the society before the expiry of the original period. The society is not, however, bound to renew a fixed deposit after the expiry of the period for which it was made; but in case of such refusal interest shall be payable at the former rate until the date of such refusal.

B.—Recurring deposits.

A recurring deposit is a deposit made by a person who undertakes to pay to the society every month a fixed amount of one rupee or a multiple or a sub-multiple thereof for a period of 12, 24, 45, 84 or 132 months. A depositor paying one rupee per mensem for a period of 12, 24, 45, 84 or 132 months shall, before the close of the 14th, 26th, 47th, 86th and 134th month, receive a sum of Rs. 12–6–3, Rs. 25–8–0, Rs. 50, Rs. 102–8–0 or Rs. 180–8–0, respectively, as the case may be, out of which the sum of Rs. 12, Rs. 24, Rs. 45, Rs. 84 or Rs. 132 shall be debited in the accounts as repayment of principal and the balance as interest thereon. Every recurring depositor shall pay his monthly deposit before the end of the calendar month to which it relates, failing which he shall be charged a fine of two pies per rupee per month or fraction thereof on every rupee overdue. Should a recurring depositor be in arrears to the extent of a sum equivalent to or more than four monthly instalments, his deposit account shall at once be closed. It shall however be competent to the panchayat if they think fit to re-open the account provided the prescribed fine due up-to-date is paid or to pay back the amount actually paid by the depositor together with interest on the amount of deposits actually made calculated at a rate not exceeding two-thirds of the original rate provided the deposit amount was held by the society for a period of at least one year. It shall be open to the society to credit the whole or part of the amount due to him towards any moneys due from the depositor to the society. It shall be competent to a recurring depositor with the consent of the panchayat, to alter the nature of his recurring deposit to any of the categories of such deposits prescribed in this by-law.

Other borrowings.

17. It shall be competent to the panchayat to borrow funds otherwise than by way of deposits either from members, or from persons other than members, or from institutions registered under the Indian Companies Act or under the Co-operative Societies Act, provided that the interest payable on the borrowed amount shall not in any case exceed   per cent per annum and provided also that the panchayat shall not receive any such loan unless it shall have been sanctioned by the governing body of the union to which the society is affiliated.

Maximum borrowing limit.

18. The total borrowings of the society both by way of deposits or otherwise and whether from members or others shall not at any time exceed Rs.   provided that the Registrar may for reasons to be recorded in writing reduce the limit fixed and when he does so, the limit as fixed by him shall not be exceeded.

Management.

19. Subject to such resolutions, as the general body may from time to time pass, the executive management of the affairs of the society shall vest in a panchayat. The panchayat shall consist of not more than   members. The Municipal Chairman or other person deputed by him shall conduct the business of the society in consultation with the members of the panchayat.

20. The members of the panchayat shall be elected by the general body for a period of one year from among the members. Members of the panchayat shall continue in office after the expiry of their term of office, until by election another panchayat is constituted. A retiring member of the panchayat shall be eligible for re-election. After the panchayat is elected by the general body they shall elect from among themselves a President and a Secretary. Interim vacancies on the panchayat shall be filled up by the remaining members of the panchayat by co-option for the unexpired portion of the period except in cases contemplated in by-law 24. Any member or members of the panchayat may at any time be removed by a resolution of the general body.

21. The panchayat shall meet once a fortnight or oftener, if necessary, to conduct the affairs of the society. No decision of the panchayat shall be valid unless it is assented to by at least   members. All questions before the panchayat shall be decided by a majority of votes and should there be an equality of votes, the President or other presiding member shall have a casting vote.

22. Should a member of the panchayat absent himself from four consecutive meetings of the panchayat, he shall cease to be a member of the panchayat but may be reinstated by the panchayat.

23. Subject to such resolutions, as the panchayat may from time to time pass, the several officers of the society shall have the powers mentioned below:—

(*a*) the President shall have a general control over all the affairs of the society. He shall have power to appoint the members of the establishment as well as to fine, suspend or dismiss them subject in the last two cases to the approval of the panchayat;

(*b*) the Secretary shall be responsible for the executive administration of the society subject to the control of the President:

(*c*) the $\frac{\text{Secretary}}{\text{President}}$ shall be the officer to sue or be sued on behalf of the society and all bonds in favour of the society shall be in the name of the $\frac{\text{Secretary}}{\text{President}}$.

24. No member who at the time is in default to the society in respect of any loan or loans taken by him shall be elected as a panchayatdar of the society or to represent the society in another society and vote. Any member of the society who has been appointed as a panchayatdar of the society or to the committee of another society or to represent the society in another society and vote, shall cease to hold his appointment as such, if he is in default to the society for a period of three months. He shall be disqualified for re-election as a panchayatdar for a period of six months from the date of his ceasing to hold his appointment as panchayatdar.

25. Receipts shall be issued for all moneys paid to the society. For moneys paid by members the receipt shall be signed by the Municipal Chairman or other person deputed by him. In the case of borrowings from non-members or from other societies, the receipt or bond shall be executed by at least members of the panchayat of whom the Secretary or the President shall be one.

26. It shall be the duty of the panchayat to maintain such accounts and registers as are prescribed by rule V of the rules under the Act and by the Registrar from time to time, to place before a general body meeting of the members the Registrar's notes of audit or inspection within one month from the date of receipt, to correspond with the Registrar and to do all other business relating to the society.

27. The panchayat shall have power to prescribe from time to time the scale of office establishment and to incur such expenditure as may be necessary for the management of the society with reference to the scale and within the budget allotment sanctioned by the general body for each year. It shall be competent to the Secretary to incur petty contingent expenditure subject to a maximum of Re. 1 for any item.

28. The panchayat shall be competent to fix the amount and nature of the security, if any, to be given by the office establishment.

29. It shall be competent for the panchayat to frame subsidiary by-laws for the conduct of the business of the society consistent with the Act, the rules under the Act, and these by-laws. Such subsidiary by-laws shall be entered in the minute book of the society and shall take effect only after their approval by the Registrar of Co-operative Societies.

30. The panchayat shall work gratuitously. The general body may, however, sanction payment to any panchayatdar for clerical work done by him at a rate not exceeding 12 annas per Rs. 100 of the loans outstanding against members on the last day of the previous co-operative year. The panchayat may debit to the

society any expenses actually incurred by them in doing the work of the society in the manner indicated below:—

(1) postal charges for remittances, etc., supported by proper vouchers,

(2) travelling allowance of members or panchayatdars to attend local union meetings or meetings of a district banking union with reference to the rates sanctioned by the general body if such travelling allowance is not paid to such members directly by the unions concerned.

(3) contributions to union expenditure within the limits sanctioned by the general body for each year or on any special occasion,

(4) establishment charges of a permanent or temporary characted sanctioned by the general body,

(5) house-rent, furniture, cost of stationery, and other defined charges within the annual budget allotment sanctioned for each year by the general body, and

(6) any other item of expenditure under contingencies not exceeding rupee one.

The panchayat shall not incur any other item of expenditure than those specified above without the previous sanction of the general body of the society.

General body.

31. The ultimate authority in all matters relating to the administration of the society shall be the general body of the members which shall meet from time to time and at least once a year to conduct the work of the society. The general body shall not, however, interfere with the actions of the panchayat done in exercise of powers conferred on it by the by-laws. The following among other matters shall be dealt with by the general body:—

(1) the election and removal of panchayatdars;

(2) the annual report due to the Registrar of Co-operative Societies;

(3) the Registrar's annual audit certificate;

(4) the amendment or repeal of any existing by-law or the enactment of a new by-law;

(5) the expulsion of a member;

(6) the consideration of any complaint which any individual member may prefer against the panchayat;

(7) the returns that may be prescribed by the Local Government;

(8) the grant of loans to the members of the panchayat and to their relations and dependents;

(9) the election of delegates from non-defaulting members to the local union or Central Bank; and

(10) the affiliation of the society to, or the disaffiliation of it from a local union or a Central Bank.

32. The panchayat may, at any time, call a general meeting of the society for the conduct of business and shall call such a meeting within one month after receipt of a requisition in writing from 15 or more members, or from the Registrar of Co-operative Societies or from a member of the governing body specially deputed by a resolution of the union to which the society is affiliated or from a financing bank to which the society is indebted.

33. It shall be the duty of every member to attend the meetings of the general body. The quorum for a general body meeting shall be   or one-fourth of the total number of members on the list at the time, whichever is less.

34. The President, when present, shall preside at the meetings of the general body. In his absence the body may choose a chairman from their number to preside at the meeting. Every member present shall have one and only one vote. All questions shall be decided by a majority of votes of the members present and voting. When votes are equal, the chairman of the meeting shall have a casting vote.

35.   day's notice shall ordinarily be given to members before a meeting of the general body is convened.

Notice for a general meeting may be given to members in one or more of the following modes:—

(i) by means of tom-tom in the village;

(ii) by affixing a copy of the notice for the meeting in some conspicuous place in the village and in the office of the society; and

(iii) by circulation of the notice book and getting signatures of members in it.

If there is any irregularity in the service of notice, it shall not invalidate the proceedings. The general body shall be convened by a resolution of the panchayat.

36. If a member deceives the society in any way, or if his general conduct is such as to render his removal necessary in the interests of the society, it shall be open to the general body to expel such member. An expelled member shall be paid all moneys due to him from the society, after deducting therefrom any moneys due from him to the society. A member who compels the society to execute the decrees, decisions, or awards obtained against him for the recovery of moneys due from him shall, for that reason, be expelled from the society. An expelled member shall be liable, as provided in by-law 3, for the debts due by the society as they stood on the date of his expulsion for a period of two years after such expulsion.

37. (1) The general body shall have authority to affiliate the society to any co-operative union with suitable jurisdiction that may be registered by the Registrar or that is working in the neighbourhood of the society.

(2) The society shall contribute at the rate of 8 annas on every sum of interest earned by it in the preceding year on every Rs. 100 of loans given to members to a supervision fund which will be lodged with and administered by the central bank.

(3) The contribution to the supervision fund shall fall due on the date on which the audit order specifying the amount payable is communicated to the society.

Loans.

38. Loans shall be given only to members, but no member can claim a loan as a matter of right. Applications for loans shall be disposed of by the panchayat.

39. All applications for loans shall be made to the Secretary in the form, if any, prescribed for the purpose who shall place them before the panchayat.

40. Loans shall be given only for purposes which, in the opinion of the panchayat, are considered useful.

41. Should the panchayat be of opinion that a loan granted by the society has been misapplied, it shall at once take steps to recover the loan with interest without waiting for the expiry of the period for which it has been granted.

42. No member shall at any time be indebted to the society by way of principal to the extent of more than Rs. on account of any loan or loans taken by him. Subject to the above maximum a member shall be eligible for a loan not exceeding Rs. for each share held by him.

43. Interest on loans granted by the society shall, for the present, be charged at pies per rupee per mensem, from the date on which the loan is paid. Interest shall be calculated on daily balances of principal.

44. Loans shall be secured in one or other of the following methods:—

(1) on the security of the deposit, if any, to the credit of the borrower, not exceeding 90 per cent of the amount of such deposits;

Note.—The amount of a loan granted on the security and within the limit specified in this clause shall not be subject to any of the stipulations to the contrary effect laid down in by-law 43 as to the maximum amount of loan ordinarily admissible to an individual member or to members of an undivided family or as to the limit calculated with reference to the number of shares held by him or them.

(2) on the joint and several responsibility of the borrower and one or two other members standing sureties for him, provided that the total amount for which a member can stand surety shall not exceed Rs. for each share held by him or four times his substantive pay per mensem, whichever is less;

(3) on the mortgage of unencumbered immovable property wholly belonging to the borrower not exceeding 50 per cent of the estimated market value of such property;

(4) on the pledge of Government promissory notes or Government Savings Bank Deposits;

(5) as a joint loan as described in by-law 53; or

(6) on the personal responsibility of the borrower alone to the extent of the pay earned by the borrower up to the date of the application for the loan provided that he agrees to allow the Municipal Chairman to recover that amount from his next pay.

It shall be competent for the panchayat to refuse to grant a loan unless the applicant shall agree in writing to permit the Municipal Chairman to deduct the instalments from his monthly pay to discharge the whole or part of the loan.

45. In granting loans, preference shall be given to loans on the security of the deposits, if any, of the borrower with the society. All other loans shall be paid in the order of their sanction.

46. The amount borrowed may be repaid at the convenience of the borrower, in easy instalments, within the period fixed for the loan, interest after each payment being calculated on the balance of the principal due, provided that no partial repayment shall be accepted other than in whole rupees.

47. The period for the repayment of each loan shall be fixed at the time of granting it according to the circumstances of the borrower and the purpose of the loan; loans shall be ordinarily repayable in not more than sixteen equal monthly instalments commencing from the month succeeding that in which the loan is disbursed. But the panchayat shall have authority to spread repayment over a longer period and to give such extensions as may seem desirable from time to time, provided that the total period including extensions shall not exceed months in all and provided further that in the case of suretyship loans no loan extension shall be granted without obtaining the written consent thereto of the sureties. Instalments of repayment of any loan shall be fixed without prejudice to the monthly subscriptions prescribed under by-law 4. When a borrower is absent from duty for a whole month, no recovery will be made for that month but where the absence lasts for only a fraction of a month the amount to be recoverable should roughly bear the same proportion to the ordinary repayment instalment as the actual pay received by a borrower for

the month bears to the full month's pay. The monthly instalments shall be paid on or before the 15th of the month succeeding that to which it relates. Should a borrower be unable to pay a prescribed instalment of principal, the panchayat may, for satisfactory reasons and with the general permission of the Registrar and the local union to which the society is affiliated, suspend the payment of that instalment by the grant of an extension for that amount. If a borrower is in arrears for any instalment of principal or interest and the panchayat does not deem it necessary to grant an extension the whole outstanding loan becomes recoverable and the panchayat may, and if the default continues for a period of more than three months, shall, at once, close the account. On overdue instalments of principal interest at the rate of pies per rupee per mensem shall be levied. All cases of extensions shall be reported to the general body and to the Registrar at least once a year.

48. The amount of paid-up share capital, deposit and any other money to the credit of a member or a past member shall be subject to a first charge in favour of the society in respect of any moneys due to the society from such member or past member. The society shall be at liberty to appropriate the whole or any portion of such paid-up share capital or deposit or any other money to the moneys due by the member to the society.

49. (1) When a member from whom money is due pays any sum, it shall be appropriated in the following order:—

Firstly, to fees, fines, postal, registration and other miscellaneous charges due by him;

Secondly, to interest; and

Thirdly, to principal.

(2) All payments by the society to the central bank shall be credited in the following order:—

(i) to supervision fund;

(ii) to fees, fines, etc.;

(iii) to interest due;

(iv) to principal due;

(v) to the Reserve Fund of the Society;

(vi) to share capital instalments due;

(vii) to advance payment of interest; and

(viii) to advance repayments of principal.

50. When a loan is cancelled by the panchayat under by-law 41 on account of its misapplication, the loan account shall at once be closed. When an account is so closed or closed under by-law 47 the panchayat shall inform the borrower of the fact and of the amount outstanding against him including interest up to the date of closing the loan account. On the total amount so found due,

the borrower shall be charged interest at pies per rupee per mensem from the date of closing the loan account to the date of recovery and steps shall be taken without delay to recover the amount.

51. When a surety dies or ceases to be a member under by-law 4 or 9 or 36 the principal borrower shall at once inform the society of the fact and either repay immediately the loan due from him with interest up to the date of payment or execute a fresh bond with one or more fresh sureties acceptable to the panchayat. If arrangements are not made to repay the loan within a time to be fixed by the panchayat or if a fresh surety or sureties are not produced, or when a member who has borrowed from the society on the mortgage of immovable property borrows elsewhere on the mortgage of the same property or sells the property already mortgaged to the society without previous sanction of the panchayat his loan account shall at once be closed without reference to the period for which the loan was given and action taken as laid down in by-law 50. In respect of such accounts also interest shall be charged at pies per rupee per mensem from the date of closing the loan account to the date of recovery.

52. If a member becomes ineligible for membership at any time and his name has on that account to be removed from the list of members under by-law 4 or 9 or should a member be expelled under by-law 36 the loan account, if any, of the member concerned shall at once be closed without reference to the term for which the loan has been granted and action shall be taken to recover from the borrower the amount outstanding against him including interest up to the date of closing the loan account. Interest shall be charged at pies per rupee per mensem on the amount so found outstanding from the date of closing the loan account to the date of recovery.

Joint loan.

53. On an application in writing (in the form to be prescribed from time to time) of five or more members the panchayat may grant a joint loan to the members so applying subject to such rules as may from time to time be framed by the panchayat with a view to supply the domestic and other requirements, provided that—

(1) the number of members of any joint loan be not less than five or more than twenty;

(2) the period for which the joint loan runs be not more than fifteen months;

(3) the total amount of any joint loan be not more than Rs. 1,000 but shall not exceed Rs. 50 per share of the members who apply;

(4) each joint borrower shall be required to state in the application the quantity of the domestic and other articles he requires and the maximum price he is prepared to pay and

shall further bind himself to pay all incidental expenses at a rate to be finally settled by a sub-committee as constituted below;

(5) the members applying for the joint loan be jointly and severally responsible for any loss arising by any of the members of the joint loan failing to fulfil their engagement and the society as a whole shall not be held responsible for such loss;

(6) the general provisions regarding loans set out thereafter shall apply as far as possible to the moneys due from each of the members subscribing to the joint loan, interest running from the month in which the society has to borrow to meet the joint application;

(7) the operations of purchase and distribution shall be conducted by a sub-committee consisting of a member of the panchayat to be elected by the members thereof and one of the members subscribing to the joint loan to be elected by the subscribers;

(8) in the case of difference of opinion between the members of the sub-committee, the decision of the panchayat shall be final; and

(9) it will be open to the sub-committee after obtaining the sanction of the panchayat to supplement the joint loan sanctioned by the panchayat with contributions from the subscribing members but the society will have a prior lien on the commodity purchased to the extent of the joint loan and incidental expenses, if any, incurred by the panchayat.

Joint purchase.

54. The panchayat may purchase wholesale the domestic and other requirements of the members; but in making such a purchase it shall act only as the agent of the members and shall accept no liability for any loss occurring in the transaction. Purchase shall be made only to the extent of the requirements of those members who are able to pay in cash or to whom the society is able to give a loan for the purpose of payment or who shall authorize the municipal chairman to deduct from their next month's pay and to hand over to the society the value of the articles purchased. Accounts showing these transactions shall be maintained in such forms as the Registrar may prescribe. Subsidiary by-laws may be framed by the panchayat for purposes of these purchases subject to their approval by the Registrar.

Profits.

55. One-half of the net profits as declared by the Registrar, year after year, shall be set apart as a reserve fund. Out of the remainder seven and half per cent of the net profits may be carried to the credit of the common good fund, to be utilized for

any of the purposes mentioned in section 2 of Act VI of 1890 (India) **namely** . The balance of the net profits after the credit to the reserve fund and common good fund, if any, has been made. as above provided, may be divided among the members subject to a maximum of $6\frac{1}{4}$ per cent on the paid-up value of each share. If there be any balance left, it shall be added to the reserve fund.

56. (1) The reserve fund shall belong to the society as a whole and is intended to meet unforseen losses. It shall be indivisible and no member shall have any claim to share in it. It may be drawn upon with the special sanction of the Registrar to meet unforeseen losses.

(2) On the dissolution of the society the reserve fund together with the other funds contributed by the society in accordance with its by-laws, including the common good fund and the dividend equalization fund, shall be applied by the liquidator to the discharge of such liabilities of the society as may remain undischarged out of the assets of the society in the following order, namely:—

(*a*) the debts of the society;

(*b*) the paid-up share capital; and

(*c*) the dividend on paid up share capital, at a rate not exceeding 6 per cent per annum, for any period or periods for which no dividend has been paid.

(3) Any surplus funds remaining after the payments mentioned in sub-rule (2) shall be utilized in the following manner and subject to the following conditions, namely:—

(i) The surplus funds shall be utilized for such object of public utility within the area in which the dissolved society carried on its operations as may be selected by its general body at a meeting and approved by the Registrar. The funds shall, until they are disbursed for such object, be kept invested in a financing bank and it shall be the duty of the committee of such bank to see that any amount withdrawn is spent properly and to allow withdrawal of funds in instalments as the work for which they are intended progresses to its satisfaction.

(ii) If within thirty days after the issue of notice by the liquidator appointed to wind up the affairs of the society, the general body fails to make any selection that is approved by the Registrar, the Registrar may place the surplus funds on deposit or otherwise with a financing bank working in the area in which the dissolved society carried on its operations, until a new co-operative society with similar objects is registered in such area, in which case the funds shall be credited to the reserve fund of such society. If, in the opinion of the Registrar, there is no prospect of a new society being formed in such area

within a reasonable time, the Registrar shall assign the amount to the Bad Debts Reserve or the Reserve Fund of the financing bank working in such area.

56A. If, however, at any time the general body resolves to split the society into more than one society by excluding a portion of the existing area of operations from the operations of the society and a new society or societies be registered to cover the area so excluded, a portion of the reserve fund shall be transferred to the society or societies as decided upon by the general body which resolves upon the splitting of the original society.

Miscellaneous.

57. No amendment to, alteration in, or cancellation of, a by-law nor the enactment of a new by-law shall be made except at a general meeting of the members or shall take effect until it shall have been approved by the Registrar.

58. Should any doubt arise as to the construction of the Act or any by-law, the panchayat shall refer the same to the Registrar of Co-operative Societies for advice and act according to his advice.

59. The society shall prepare annually in such form as may be prescribed by the Registrar (*a*) a statement showing the receipts and disbursements for the year, (*b*) a profit and loss account, (*c*) a balance sheet and (*d*) such other statements as may be prescribed by the Registrar. These statements shall be made up to 30th June and a copy of each shall be sent to the Registrar within fifteen days after the close of the co-operative year ending 30th June . After the Registrar has verified the statements and granted his audit certificate the society shall publish such of the prescribed statements as he may direct in the manner prescribed by him.

60. If any dispute touching the business of the society (other than a dispute regarding disciplinary action taken by the society or its committee against a paid servant of the society) arises—

(*a*) among members, past members and persons claiming through members and deceased members; or

(*b*) between a member, past member or person claiming through a member, past member or deceased member and the society, its committee or any officer, agent or servant of the society; or

(*c*) between the society or its committee and any past committee, any officer, agent or past servant or the nominee, heirs or legal representatives of any deceased officer, deceased agent or deceased servant of the society; or

(*d*) between the society and any other registered society;

such dispute shall be referred to the Registrar for decision.

The Registrar may, on receipt of such reference—

(i) decide the dispute himself; or

(ii) transfer it for disposal to any person who has been invested by the Local Goverment with powers in that behalf; or

(iii) refer it for disposal to an arbitrator or arbitrators.

The decision or award of the Registrar or the person to whom the reference was transferred or by the arbitrator or arbitrators to whom it was referred shall be final, subject to the provisions of sub-section (5) of section 51 of the Co-operative Societies Act and it may be enforced in any one of these ways—

(*a*) by an application made to the Collector of the district through the Registrar of Co-operative Societies requesting that the amount due under the decision or award may be recovered in the same manner as arrears of land revenue;

(*b*) by an application to the civil court having jurisdiction over the subject-matter of the decision or award requesting that the court may enforce the decision or award as if it were a decree of the court; or

(*c*) by an application to the Registrar of the district in which the cause of action arose, that the decision or award be enforced as provided in rule XXII of the rules framed under the Madras Co-operative Societies Act.

61. If any sum belonging to the society is either stolen or otherwise lost and found irrecoverable or if any loan due to the society is found otherwise irrecoverable either wholly or in part, it shall be open to the general body to write off such amount after obtaining the sanction of the union and of the Central Bank to which the society is affiliated or of the Registrar and of the Central Bank, if it is not affiliated to any union.

62. (1) Notwithstanding anything contained in the by-laws of the society as to the mode of summoning general meetings and the object, time and place of such meetings, the Registrar or any person authorized by the Registrar to make inquiries under section 35 of the Act in that behalf may

(*a*) summon at any time a special general meeting of the society with 24 hours' notice in such manner and such time and place as he may direct; and

(*b*) specify what matters shall be discussed by the meeting.

Such meeting shall have all the powers of a meeting called according to the by-laws of the society, provided that any resolution passed at such meeting shall have the full force of a resolution of the general body of the society notwithstanding the fact that there may be present less than the quorum prescribed under by-law 33,

provided that the Registrar is satisfied for reasons to be recorded by him in writing

(i) that it was impossible for the society to secure the attendance of a quorum;

(ii) that the resolution is for the good of the society; and

(iii) that the resolution is likely to meet with the approval of the general body of the members.

(2) (*a*) It shall be open to the general body to place the management of the society in the hands of a single person who may be either a member or non-member. The appointment shall, however, be subject to the approval of the Central Bank in case the society is indebted to it and of the Registrar in case it is not indebted to the Central Bank. The person so appointed shall have all the powers of the panchayat under the by-laws. In the matter of collecting loans, filing of arbitration references and applications for execution of awards, he shall act on his own responsibility in accordance with the by-laws. But he shall purchase lands or sell lands only with the previous approval of the Central Bank. He shall, however, obtain the previous approval of the general body in the following matters:—

(1) admission of members;

(2) allotment of shares to members;

(3) refund of share capital to members either by adjustment or in cash;

(4) borrowing money;

(5) grant of loans to members;

(*b*) The general body may, subject to the approval of the Central Bank or Registrar as the case may be, pay to the manager such remuneration as it deems fit for his services. The manager shall convene a meeting of the general body before the expiry of the period for which he is appointed and get a panchayat elected in accordance with the by-laws. If for any reason a panchayat cannot be elected before the expiry of the period of his appointment, he shall continue to be in charge of the management of the society till a panchayat is elected under the by-laws.

63. Any amount due by the society and not claimed within the period of limitation allowed by the Indian Limitation Act shall be added to the reserve fund of the society.

BY-LAWS OF THE MADRAS PROVINCIAL CO-OPERATIVE MARKETING SOCIETY, LIMITED, No. X-95.

Name, constitution and address.

The Madras Provincial Co-operative Marketing Society, Limited, No. X-95, is registered as a co-operative society under Act VI of 1932, Madras. Its address shall be Madras. Its operations shall extend to the Presidency of Madras.

NOTE.—The Madras Provincial Co-operative Marketing Society, Ltd., shall be referred in these by-laws as the "society" and a member society as an "affiliated society."

Objects.

2. The objects of the society are—

(1) to arrange for the sale of produce of the affiliated societies and other members to the best advantage;

(2) to rent or own godowns or sales depots to facilitate the storing and sale of produce;

(3) to act as agent of members for the disposal of their produce;

(4) generally to co-ordinate the activities of the various non-credit societies by getting them into touch with the market places, the places of production and the prices prevailing in the presidency;

(5) to serve as an information bureau of raw products and articles available in the presidency or elsewhere;

(6) to advance money on the pledge of produce of members sent for sale; and

(7) to do such other things as are incidental or conducive to the attainment of the above objects.

Membership.

3. The liability of the members shall be limited to the share capital subscribed by them.

4. The capital of the society shall, for the present, be Rs. 50,000 made up of 500 'A' class shares of Rs. 50 each and 1,000 'B' class shares of Rs. 25 each. The value of each share shall be paid in one lump sum on allotment. The 'A' class shares shall be taken up by the societies and 'B' class shares by individual members.

5. Any person over eighteen years of age who is competent to contract residing within the limits referred to in the third sentence of by-law 1 and also any non-credit co-operative society

other than a building society situate within the area of operations shall be eligible for admission as a member; but no person or co-operative society can claim admission as a matter of right.

6. Application for admission as members and for allotment of shares shall be made to the Secretary in the form, if any, prescribed by the society for the purpose. Every such application shall be disposed of by the Board of Directors who shall have power to grant admission or to refuse it without assigning reasons.

7. Every member shall take at least one share. Every member shall pay an entrance fee of Re. 1 for a share taken by him at the time of taking the share provided that the total payment of entrance fees by any one member for all the shares held by him shall not exceed Rs. 5. No individual member shall take more than 40 shares.

8. No member shall be permitted to withdraw any of the shares held by him in the society within five years after the date when such shares were taken by him. But a member may withdraw shares with the consent of the Board of Directors after such period provided firstly that he has given at least six months' notice of withdrawal, secondly that the total amount of share capital that is permitted to be withdrawn in any one year does not exceed 10 per cent of the aggregate paid-up share capital of the society as it was on 30th June preceding and thirdly that nothing is due from him to the society. When a member withdraws shares under this by-law, he shall be paid back the share capital actually paid by him with the dividend declared, if any.

9. Should an individual member cease to be eligible for membership either on account of the removal of his residence from the limits prescribed in by-law 1 or for any other cause, the society shall remove his name from the list of members and shall pay back within a reasonable period to such member the share capital actually paid by him with the dividend declared, if any, after deducting therefrom the money, if any, due from him to the society.

10. (1) If an individual member dies, his membership shall *ipso facto* cease.

(2) (*a*) Every individual member of the society may nominate any person to succeed, in the event of his death, to his share or interest in the society. Such nomination shall, in the event of his death be given effect to by the society provided:—

(i) the nomination was signed by the deceased in the presence of at least two witnesses attesting the same;

(ii) the nomination has been registered in the books of the society kept for the purpose; and

(iii) the person nominated shall have been admitted by the Board of Directors as a member of the society under by-law 6.

(*b*) In the event of there being no person nominated by the deceased and entitled to succeed to his share or interest in the society, the heir or legal representative of the deceased or any person nominated by such heir or legal representative within one month of the death of the deceased member, shall be entitled to succeed thereto provided such heir or legal representative or his nominee shall have been admitted by the Board of Directors as a member of the society under by-law 6.

(*c*) In the event of there being no person entitled to succeed under clause (*a*) or (*b*) of this by-law to the share or interest of a deceased member of the society, the society shall pay to the nominee of the deceased or to his heir or legal representative, as the case may be, a sum representing the deceased member's share or interest at the time of his death ascertaind in accordance with the by-laws of the society.

11. An affiliated society shall on liquidation cease to be a member of the society and the share capital held by it will be returned to the liquidator after deducting therefrom the debts if any due by the affiliated society.

12. (1) A past member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date when he ceased to be a member, for a period of two years from such date.

(2) The estate of a deceased member shall be liable, as provided in by-law 3 for the debts due by the society as they existed on the date of his decease, for a period of two years after his decease.

13. No member shall be permitted to transfer his share or shares or create a charge in respect of the same in favour of another member or person except with the previous sanction of the Board of Directors.

14. With the sanction of the Board of Directors a member may at any time increase the number of shares held by him so as not to exceed the limit of 40 shares laid down in by-law 7.

Management.

15. Subject to such resolutions as the general body may from time to time pass, the executive management of the affairs of the society shall vest in a Board of Directors. The Board of Directors shall consist of not more than nine members of whom five shall be representatives of societies, the rest of individuals, two of whom shall be residents of Madras. A director who is a representative of an affiliated society shall cease to serve on the Board if the society concerned withdraws its delegation or when he ceases to be a member of his society.

16. The first set of directors shall be nominated by the Registrar for a period of three years. It shall be open to the Registrar to terminate the nomination at any time and nominate

another. After this period the members of the Board of Directors shall be elected by the general body for a period of three years from among the members. Members of the Board of Directors shall continue in office after the expiry of their term of office, until by election another Board is constituted. A retiring member of the Board of Directors shall be eligible for re-election. After the Board of Directors is elected by the general body they shall elect from among themselves a President, Vice-President and a Treasurer. Interim vacancies on the Board of Directors may be filled up by the remaining members of the Board by co-optation for the unexpired portion of the period. Any member or members of the Board of Directors may at any time be removed by a resolution of the general body. The Provincial Marketing Officer and the Joint Registrar shall be ex officio members of the Board in addition to the nine Directors referred to in by-law 15. They shall have the same powers as the other members of the Board.

17. The Board of Directors shall meet once in three months or oftener if necessary to conduct the affairs of the society. The quorum for a meeting of the Board of Directors shall be five. No member of the Board of Directors shall be present at a meeting of the Board when any matter in which he is personally interested is being discussed.

18. Should a member of the Board of Directors absent himself from four consecutive meetings of the Board, he shall cease to be a member of the Board of Directors but may be reinstated by the Board of Directors.

19. Subject to such resolutions as the Board of Directors may from time to time pass the several officers of the society shall have the powers mentioned below:—

(*a*) The President shall have a general control over all the affairs of the society. He shall also have power to appoint the members of the establishment as well as to fine, suspend or dismiss them subject in the last two cases to an appeal to the Executive Committee. He shall appoint a Secretary who will be responsible for the executive administration of the society subject to the control of the President who shall have power to fine or suspend him. But he shall not be removed except with the approval of the Executive Committee. He shall however have a right of appeal to the Board.

(*b*) The Secretary shall be the officer to sue or be sued on behalf of the society and all bonds in favour of the society shall be in the name of the Secretary.

(*c*) Should the Secretary or Treasurer require relief from work, it shall be competent to the President to grant such relief, making suitable arrangements for the conduct of work by one or more of the members of the Board of Directors.

20. Receipts shall be issued for all moneys paid to the society. For moneys paid by members the receipts shall be signed by the Secretary.

21. It shall be the duty of the Board of Directors to maintain such accounts and registers as are prescribed by Rule V of the Rules under the Act and by the Registrar from time to time, to place before a general body meeting of the members the Registrar's notes of audit or inspection within one month from the date of receipt to correspond with the Registrar and to do all other business relating to the society.

22. The Board of Directors shall have power to prescribe from time to time the scale of establishment, both office and outdoor, and to incur such expenditure as may be necessary for the mangement of the society within the budget allotment sanctioned by the general body for each year. It shall be competent to the Secretary to incur petty contingent expenditure subject to a maximum of Rs. 5 for any time.

23. The Board of Directors shall be competent to fix the amount and nature of the security if any to be given by the establishment.

24. It shall be competent to the Board of Directors to frame subsidiary by-laws for the conduct of the business of the society consistent with the Act, the rules under the Act and these by-laws. Such subsidiary by-laws shall be entered in the minute book of the society and they shall be reported to the Registrar of Co-operative Societies.

25. The services of the members of the Board of Directors shall be gratuitous but they may be paid travelling allowance on a scale to be fixed by the Board and a sitting fee not exceeding Rs. 10.

26. It shall be the duty of the Board of Directors to arrange for the sale of the produce by opening sales depots in suitable places. For this purpose they may build, buy or hire one or more buildings for the purpose of keeping the produce.

The Executive Committee.

27. The entire administration of the society shall vest in the Board and subject to the control of, and delegation from, the Board in an Executive Committee consisting of eight members. The President, the Vice-President, the Treasurer, the Joint Registrar and the Provincial Marketing Officer shall be ex officio members of the Executive Committee. The remaining two members shall be elected by the Board from among themselves.

28. The Executive Committee may delegate any of its powers to the President and may withdraw such powers when it deems it expedient to do so.

29. The members of the Executive Committee shall hold office for the full term for which they are members of the Board or till their successors are appointed. In the case of any interim vacancy occurring among the selected members of the Executive Committee, the other members of the Committee shall fill up the same for the remaining portion of the period from among the members of the Board qualified to serve on the Executive Committee under these by-laws.

30. No decision of the Executive Committee shall be valid unless it is assented to at least by three members thereof.

Sale of produce.

31. The Board of Directors are to arrange for the sale of produce of members of the society. In arranging for the sale, they shall act only as the agent of the members concerned and shall not do the business as owner on behalf of the society. Any loss arising out of the transactions shall be borne by the members concerned, and not by the society. When the Board of Directors act as agent it should be under the written authority of the members concerned. The Board shall not enter into any forward contracts with dealers without the written permission of the member or members concerned. The society may charge such commission, rent, insurance charges and interest as may be decided upon from time to time.

32. All transactions by way of sales on behalf of members shall be on the ready money system.

33. It shall be competent to the Board of Directors to fix the scale of depreciation of shortage to be allowed in the case of produce deposited in the godown of the society and such scale shall be binding upon the members of the society.

General body.

34. The ultimate authority in all matters relating to the administration of the society shall be the general body of the members. It shall be convened at least once a year at the instance of the Executive Committee or the Registrar to conduct the work of the society. Each affiliated society shall elect a delegate from among its members to be its representative for a period of three years or till his successor is elected by the affiliated society concerned. An affiliated society can withdraw its delegate at any time and send another instead. A delegate ceasing to be a member of the affiliated society which he represents shall cease to represent it. The following among other matters shall be dealt with by the general body:—

(1) The election and removal of the Board of Directors;

(2) the annual report due to the Registrar of Co-operative Societies;

(3) the Registrar's annual audit certificate;

(4) the amendment or repeal of any existing by-law or the enactment of the new by-law;

(5) the expulsion of a member;

(6) the consideration of any complaint which any individual member may prefer against the Board of Directors; and

(7) the returns that may be prescribed by the Local Government.

35. The quorum for a general body meeting shall be 25 or one-fourth of the total number of members on the list at the time, whichever is less.

36. The President, when present or in his absence the Vice-President, shall preside at the meeting of the general body. In the absence of both, the body may choose a chairman from their number to preside at the meeting. Every member present shall have one and only one vote. All questions shall be decided by a majority of votes of the members present and voting. When votes are equal, the chairman of the meeting shall have a casting vote.

37. Ten days' notice shall ordinarily be given to members before a meeting of the general body is convened.

38. If an individual member deceives the society in any way, or if his general conduct is such as to render his removal necessary in the interests of the society, it shall be open to the general body to expel such member. An individual member who drives the society to court, to recover the money due from him shall, for that reason be expelled from membership. An individual member expelled shall be liable, as provided in by-law 3, for the debts due by the society as they stood on the date of his expulsion, for a period of two years after such expulsion.

Profits.

39. The net profits of the society as declared by the Registrar every year shall be disposed of as shown below:—

(1) Twenty-five per cent shall be carried to the credit of the reserve fund.

(2) Out of the remainder, a dividend subject to a maximum of 9 per cent per annum on the paid up value of each share may be paid to members proportionately to the amount of paid up share capital held by each and also to the period during which the paid up share capital was so held during the year.

(3) Out of the remainder a sum not exceeding $7\frac{1}{2}$ per cent of the net profits may be paid to a common good fund to be utilized for any of the purposes mentioned in section 2 of the Charitable Endowments Act VI of 1890 (India), namely, Education, Sanitation, Medical Relief if the general body so wish.

(4) Out of the balance, if any, such sum as the general body may set apart may be allotted for propaganda.

(5) Any profits not allotted in the manner aforesaid in any year shall be forthwith added to the reserve fund.

All undisbursable and indivisible profits shall be added to the reserve fund.

Reserve Fund.

40. (1) The reserve fund shall belong to the society as a whole and is intended to meet unforeseen losses. No member can claim a share in it. It shall be invested in such manner as the Registrar of Co-operative Societies prescribes and shall not be drawn upon except with his sanction.

(2) On the dissolution of the society the reserve fund and other funds contributed by it under provisions of its by-laws shall be applied—

(i) to discharging such liabilities of the society as may remain undischarged after the enforcement in full of the liability of the members of the society,

(ii) to the repayment of the share capital paid up, and

(iii) to the payment or dividend upon such share capital at a rate not exceeding 9 per cent per annum for any period or periods for which no dividend has been paid.

(3) Such portion of these funds as shall remain after payments mentioned in sub-clause (2) shall be applied to such local objects of public utility as may be selected by the general body and approved of by the Registrar. If within three months of the final closing up of the society the general body fails to make any selection that is approved of by the Registrar, the latter may use the abovementioned portion of the funds in supporting other co-operative societies in the neighbourhood or shall place the same on interest or otherwise with some co-operative bank until a new co-operative society with a similar area of operations is registered in which event the funds shall be credited to the reserve fund of such society.

41. If, however, at any time the general body resolves to split the society into more than one society by excluding a portion of the existing area of operations from the operations of the society anl a new society or societies be registered to cover the area so excluded, a portion of the reserve fund shall be transferred to the society or societies as decided upon by the general body which resolves upon the splitting of the original society.

Miscellaneous.

42. No amendment to, alteration in, or cancellation of, a by-law nor the enactment of a new by-law shall be made except at a general meeting of the members or shall take effect until it shall have been approved by the Registrar.

43. Should any doubt arise as to the construction of the Act or any by-law, the Board of Directors shall refer the same to the Registrar of Co-operative Societies for advice and act according to his advice.

44. The society shall prepare annually in such form as may be prescribed by the Registrar, (*a*) a statement showing the receipts and disbursements for the year; (*b*) a profit and loss account; (*c*) a balance-sheet; and (*d*) such other statements as may be prescribed by the Registrar.

These statements shall be made up to 30th June and a copy of each shall be sent to the Registrar within fifteen days after the close of the co-operative year ending 30th June. After the Registrar has verified the statements and granted his audit certificate, the society shall publish such of the prescribed statements as he may direct in the manner prescribed by him.

45. In the case of a dispute touching the business of the society between members or past members of the society, or persons claiming through a member or past member or between a member or past member or persons so claiming and the Board of Directors, a reference in writing may be made by any party to the Registrar. Similarly, in the case of dispute relating to a debt due to the society by a member or past member or persons claiming through a member or past member, a reference in writing may be made by either party to the Registrar. The Registrar shall have power, on receipt of such reference, either to decide the dispute himself or refer it to an arbitrator appointed by him or to several arbitrators of whom one shall be appointed by him and one other by each of the parties to the dispute. The decision or award of the Registrar or of the arbitrator or arbitrators as the case may be shall be final and it may be enforced in either of these ways—

(*a*) by an application made to the Collector of the district through the Registrar of Co-operative Societies requesting that the amount due under the decision or award may be recovered in the same manner as arrears of land revenue; or

(*b*) by an application to the civil court having jurisdiction over the subject-matter of the decision or award requesting that the court may enforce the decision or award as if it were a decree of the court; or

(*c*) by an application to the Registrar of the District under section 57-A of the Madras Co-operative Societies Act VI of 1932.

46. Should any sum belonging to the society be either stolen or otherwise lost and found irrecoverable, it shall be open to the general body to write off such amounts after obtaining the sanction of the Registrar.

BY-LAWS OF THE CO-OPERATIVE STORES, LIMITED, No.

Name, constitution and address.

The Co-operative Stores, Limited, No. is registered as a co-operative society under Act VI of 1932 (Madras). Its address shall be post in the taluk of the district. Its operations shall be confined to

Objects.

2. The objects of the society are—

(*a*) the encouragement of thrift and self-help;

(*b*) the purchase of the necessaries of life for retail to the members, the carrying on in common for the benefit of members of the society of the trade of general dealers and the establishment and the conduct on co-operative principles of such other lines of work or departments of business as may from time to time be resolved upon by the general body of members;

(*c*) the dissemination of the knowledge of co-operative principles and their realization as far as practicable; and

(*d*) the doing of all such other things as are incidental or conducive to the attainment of the above objects.

Membership.

3. The liability of the members of the society shall be limited to the share capital subscribed by them.

4. The capital of the society shall for the present be Rs. made up of shares of Rs. each. The value of each share shall be paid in one lump sum on allotment.

5. Any person over eighteen years of age who is competent to contract residing within the limits referred to in the third sentence of by-law 1 shall be eligible for admission as a member, but no person can claim admission as a matter of right.

6. Applications for admission as members and for allotment of shares shall be made to the Secretary in the form, if any prescribed by the society for the purpose. Every such application shall be disposed of by the Board of Directors who shall have power to grant admission or to refuse it without assigning reasons.

7. Every member shall take at least one share, but no member shall take more than shares. It shall, however, be competent for the members to utilize the dividend and bonus earned by them in the purchase of additional shares in which case the maximum number of shares which a member can hold shall not exceed. Every member shall pay an entrance fee of annas at the time of his admission.

8. No member shall be permitted to withdraw any of the shares held by him in the society within   years after the date when such shares were taken by him. But a member may withdraw shares with the consent of the Board of Directors after such period provided, firstly, that he has given at least six months' notice of withdrawal, secondly, that the total amount of share capital that is permitted to be withdrawn in any one year does not exceed 10 per cent of the aggregate paid-up share capital of the society as it was on 30th June preceding and thirdly, that there are no debts due from him to the society. When a member withdraws shares under this by-law, he shall be paid back the share capital actually paid by him with the dividend declared, if any. The 10 per cent limit to which the withdrawal of share capital in any one year is restricted in this by-law shall cover all withdrawals except those made under by-laws 9, 10 and 35.

9. Should a member cease to be eligible for membership either on account of the removal of his residence from the limits prescribed in by-law 1 or for any other cause, the society shall remove his name from the list of members and shall pay back within a reasonable period to such member the share capital actually paid by him with the dividend declared, if any, after deducting therefrom the money, if any, due from him to the society.

10. (1) If a member dies, his membership shall *ipso facto* cease.

(2) (*a*) Every member of the society may nominate any person to succeed, in the event of his death, to his share or interest in the society. Such nomination shall, in the event of his death, be given effect to by the society provided—

(i) the nomination was signed by the deceased in the presence of at least two witnesses attesting the same;

(ii) the nomination has been registered in the books of the society kept for the purpose; and

(iii) the person nominated shall have been admitted by the Board of Directors as a member of the society under by-law 6.

(*b*) In the event of there being no person nominated by the deceased member *who is qualified in accordance with the by-laws for membership of the society, the society shall transfer* the share or interest of the deceased member to *such person as may appear to the committee to be* the heir or legal representative of the deceased or to any person (nominated by such nominee, heir or legal representative) within one month of the death of the deceased member, provided such heir or legal representative or nominee shall have been admitted by the committee as a member of the society under by-law 6.

(*c*) In the event of there being no person *qualified* to succeed under clause (*a*) or (*b*) of this by-law to the share or interest of a deceased member, the society shall pay to the nominee

of the deceased or to the heir or legal representative as the case may be, a sum representing the deceased member's share or interest at the time of his death, ascertained in accordance with the by-laws of the society.

(3) Subject as aforesaid, the society may pay all other moneys due to the deceased member from the society, to the person nominated by him in accordance with clause (2) (*a*) of this by-law or to such person as may appear to the committee to be the heir or legal representative of the deceased member, as the case may be.

11. (1) A past member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date when he ceased to be a member for a period of two years from such date.

(2) The estate of a deceased member shall be liable, as provided in by-law 3, for debts due by the society as they existed on the date of his decease, for a period of two years after his decease.

12. No member shall be permitted to transfer his share or shares or create a charge in respect of the same in favour of another member or person except with the previous sanction of the Board of Directors.

13. With the sanction of the Board of Directors a member may at any time increase the number of shares held by him so as not to exceed the limit of shares laid down in by-law 7.

Borrowings.

14. It shall be competent to the Board of Directors to borrow money either by way of deposits or otherwise.

15. Deposits may be taken only from members.

Deposits.

16. Deposits are of two classes (A) Fixed deposits and (B) Trade deposits.

A.—Fixed deposits.

(i) A fixed deposit is the deposit of a fixed amount of money for a fixed period of time. No fixed deposit shall be received for a sum less than Rs. 5 or an exact multiple thereof, or for a period less than six months.

(ii) Interest shall ordinarily be calculated on fixed deposits at a rate not exceeding 5 per cent per annum. Should a fixed deposit from a member or from a co-operative society be made for a period of not less than one year, the deposit being not less than Rs. 100, interest may be paid thereon at a rate not exceeding 7 per cent per annum. Interest on fixed deposits shall be paid yearly or at such shorter intervals as may have been agreed upon at the time of deposit.

(iii) The interest on a fixed deposit shall cease on the expiry of the period for which the deposit was made, unless notice in writing of the intention to renew the deposit for a further period of not less than six months has been received in the office of the society before the expiry of the original period. The society is not, however, bound to renew a fixed deposit after the expiry of the period for which it was made, but in case of such refusal interest shall be payable at the former rate until the date of such refusal.

B.—Trade deposits.

A trade deposit is a deposit made by a member with the society in advance of purchases in order to avoid paying cash every time a purchase is made from the society. The deposit will not be made for a specific period and will not be allowed to be withdrawn in cash unless a member ceases to continue as a member in the society. Whenever a member purchases stores from the society, the cost thereof shall be debited against his trade deposit. Every member paying a trade deposit will be supplied with a pass book and a counterfoil indent book free of cost. A depositor who wishes to buy stores against his trade deposit shall send, along with the pass book, a requisition in the form of an indent book supplied for the purpose. No other requisition will be recognized. The pass book will, after issue of the articles, be returned with the cost of the purchase made noted in it along with the indent book. Interest shall be paid on the trade deposit at 5 per cent per annum on the lowest balance outstanding on any day in a calendar month against the member. Interest will be calculated and added only on the last day of each co-operative year. If any account is closed in the course of the year interest accrued up to that date will be paid along with the outstanding amount.

Other borrowings.

17. When money is borrowed otherwise than by way of deposits it shall be from another co-operative society provided that the amount so borrowed shall not exceed the value of the stock pledged to such society. There is, however, no objection to the society getting an open cash credit from the other society not exceeding the value of the stock in trade. The cash credit may be renewed from time to time.

Maximum borrowing limit.

18. The total borrowings of the society under by-laws 16 and 17 shall not at any time exceed   times the paid-up share capital *plus* the reserve fund.

Management.

19. Subject to such resolutions as the general body may, from time to time, pass the executive management of the affairs of the society shall vest in a Board of Directors. The Board of Directors shall consist of not more than   members.

20. The members of the Board of Directors shall be elected by the general body for a period of one year from among the members. Members of the Board of Directors shall continue in office after the expiry of their term of the office, until by election another Board is constituted. A retiring member of the Board of Directors shall be eligible for re-election. After the Board of Directors is elected by the general body, they shall elect from among themselves a President, a Secretary and an Assistant Secretary. Interim vacancies on the Board of Directors may be filled up by the remaining members of the Board of co-option for the unexpired portion of the period. Any member or members of the Board of Directors may at any time be removed by a resolution of the general body.

21. The Board of Directors shall meet once a fortnight or oftener if necessary to conduct the affairs of the society. No decision of the Board of Directors shall be valid unless it is assented to by at least members. All questions before the Board of Directors shall be decided by a majority of votes. Should there be an equality of votes, the President or other presiding member shall have a casting vote. No member of the Board of Directors shall be present at a meeting of the Board when any matter in which he is personally interested is being discussed. In case of urgency, where there may not be sufficient time to convene a meeting of the Board of Directors and in all cases in which such a procedure may, from time to time, be prescribed by the Board of Directors, the Secretary may obtain the orders of the Board of Directors by circulation of papers among the members present at the headquarters of the society. Such decisions arrived at by circulation shall be placed before the next meeting of the Board of Directors for their $\frac{\text{ratification}}{\text{information}}$. Should a difference of opinion arise in the course of such circulation the matter shall not be decided by circulation but shall be placed before a meeting of the Board of Directors.

22. Should a member of the Board of Directors absent himself from four consecutive meetings of the Board, he shall cease to be a member of the Board of Directors but may be reinstated by the Board of Directors.

23. Subject to such resolutions as the Board of Directors may, from time to time, pass the several officers of the society shall have the powers mentioned below:—

(a) the President shall have a general control over all the affairs of the society and shall ex-officio be the Treasurer and shall have the custody of all the properties of the society. He shall also have power to appoint the members of the establishment as well as to fine, suspend or dismiss them subject in the last two cases to the approval of the Board of Directors.

(*b*) the Secretary shall be responsible for the executive administration of the society subject to the control of the President.

(*c*) the $\frac{\text{Secretary}}{\text{President}}$ shall be the officer to sue or be sued on behalf of the society and all bonds in favour of the society shall be in the name of the $\frac{\text{Secretary}}{\text{President}}$.

(*d*) the Assistant Secretary shall help the Secretary. Should the Secretary or the Assistant Secretary require relief from work, it shall be competent to the President to grant such relief, making suitable arrangements for the conduct of work by one or more of the members of the Board of Directors.

24. Receipts shall be issued for all moneys paid to the society. For moneys paid by members the receipt shall be signed by the President or the Secretary or the Assistant Secretary whoever is selected by the Board of Directors to discharge this function. In the case of borrowings from non-members or from other societies, the receipt or bond shall be executed by at least members of the Board of Directors of whom the Secretary or the President shall be one.

25. It shall be the duty of the Board of Directors to maintain such accounts and registers as are prescribed by rule V of the rules under the Act and by the Registrar from time to time, to place before a general body meeting of the members the Registrar's notes of audit or inspection within one month from the date of receipt, to correspond with the Registrar and to do all other business relating to the society.

26. The Board of Directors shall have power to prescribe from time to time the scale of office establishment and to incur such expenditure as may be necessary for the management of the society with reference to the scale and within the budget allotment sanctioned by the general body for each year. It shall be competent to the Secretary to incur petty contingent expenditure subject to a maximum of one rupee for any item.

27. The Board of Directors shall be competent to fix the amount and nature of the security, if any, to be given by the office establishment.

28. It shall be competent to the Board of Directors to frame subsidiary by-laws for the conduct of the business of the society consistent with the Act, the rules under the Act and these by-laws. Such subsidiary by-laws shall be entered in the minute book of the society and they shall be reported to the Registrar of Co-operative Societies for approval.

29. The services of the members of the Board of Directors shall be gratuitous.

General body.

30. The ultimate authority in all matters relating to the administration of the society shall be the general body of members who shall meet from time to time and at least once a year to conduct the work of the society. The general body shall not however interfere with the actions of the Board of Management in respect of matters delegated to it under the by-laws. The following among other matters shall be dealt with by the general body:—

(1) the election and removal of the Board of Directors;
(2) the annual report due to the Registrar of Co-operative Societies;
(3) the Registrar's annual audit certificate;
(4) the amendment or repeal of any existing by-law or the enactment of a new by-law;
(5) the expulsion of a member;
(6) the consideration of any complaint which any individual member may prefer against the Board of Directors; and
(7) the returns that may be prescribed by the Local Government.

31. A meeting of the general body of the members may be convened whenever necessary, for the conduct of the business by the Board of Directors and shall be so convened by the Board of Directors at the request of 15 or more members or at the instance of the Registrar or by a member of the governing body specially deputed by a resolution of the governing body of the union to which the society is affiliated.

32. It shall be the duty of every member to attend the meetings of the general body. The quorum for a general body meeting shall be   or one-fourth of the total number of members on the list at the time, whichever is less.

33. The President, when present, shall preside at the meetings of the general body. In his absence the body may choose a chairman from their number to preside at the meeting. Every member present shall have one and only one vote. All questions shall be decided by a majority of votes of the members present and voting. When votes are equal, the chairman of the meeting shall have a casting vote.

34.   days' notice shall ordinarily be given to members before a meeting of the general body is convened.

35. If a member deceives the society, in any way, or if his general conduct is such as to render his removal necessary in the interests of the society, it shall be open to the general body to expel such member. An expelled member shall be paid all moneys due to him from the society, after deducting therefrom any money due from him to the society. A member who drives the society to Court to recover the money due from him shall, for that reason, be expelled from membership. An expelled member shall be liable, as provided in by-law 3 for the debts due by the

society as they stood on the date of his expulsion, for a period of two years after such expulsion.

36. The general body shall have authority to affiliate the society to any co-operative union or other supervising body (with suitable jurisdiction) that may be registered by the Registrar or that is working in the neighbourhood of the society. Towards the expenses of such union the society shall contribute a sum at the rate of Re. 0–4–0 on every Rs. 100 worth of goods sold subject to a maximum of Rs. 150.

Trade.

37. The society shall carry on such wholesale and retail trade as may from time to time be decided on by the Board of Directors, provided however that no new trade shall at any time be undertaken by the society except with the previous sanction of the Registrar.

38. All transactions by way of sales shall be strictly on the ready-money system and shall be confined to members only provided that this shall not exclude sale to inspectors of the municipality taking samples under the Prevention of Adulteration Act.

39. The Board of Directors may, subject to the sanction of the Registrar and subject to such conditions as he may impose from time to time, empower the Secretary to buy from and sell to any co-operative society registered under India Act X of 1904 or Act II of 1912 or Act VI of 1932 such commodity or commodities as they may specify.

40. At the end of each quarter stock shall be taken and necessary depreciation allowed by the Board of Directors.

Profits.

41. Twenty-five per cent of the net profits of this society as declared by the Registrar year after year shall be carried to the reserve fund. The balance may be divided as follows:—

(1) a sum equal to 15 per cent of the net profits subject to a maximum of Rs. 200 may be paid as honorarium to the Secretary and Assistant Secretary if the general body so wishes;

(2) out of the remainder a dividend not exceeding $7\frac{1}{2}$ per cent per annum may be paid to the members proportionately to the amount of paid-up share capital held by each; it is open to the member to add his dividend to his share capital;

(3) a sum not exceeding $7\frac{1}{2}$ per cent of the net profits may be carried to the credit of the common good fund to be utilized for any of the purposes mentioned in section 2 of the Charitable Endowments Act VI of 1890 (India), viz.;

(4) a rebate on purchases at a rate to be fixed by the general body on the recommendation of the Board of Directors shall be divided among the members according to the amount of purchases made by them during the year; the

rebate payable to each member shall not however be paid to him in cash but shall be credited to share capital till it reaches the maximum prescribed in by-law 7;

(5) the balance, if any, shall be carried to the reserve. Profits not allotted in the above manner shall be carried to reserve fund.

All undisbursable and indivisible profits shall be added to the reserve fund.

Reserve fund.

42. (1) The reserve fund shall belong to the society as a whole and is intended to meet unforeseen losses. No member can claim a share in it. It shall be invested in such manner as the Registrar of Co-operative Societies prescribes and shall not be drawn upon except with his sanction.

(2) On the dissolution of the society the reserve fund and other funds contributed by it under provisions of its by-laws shall be applied:

(i) to discharging such liabilities of the society as may remain undischarged after the enforcement in full of the liability of the members of the society,

(ii) to the repayment of the share capital paid-up, and

(iii) to the payment of dividend upon such share capital at a rate not exceeding $7\frac{1}{2}$ per cent per annum for any period or periods for which no dividend has been paid.

(3) Such portion of these funds as shall remain after payments mentioned in sub-clause (2) shall be applied to such local objects of public utility as may be selected by the general body and approved of by the Registrar in accordance with rule XIV (3) (*a*) of the rules under the Act. If within three months of the final closing up of the society the general body fails to make any selection that is approved of by the Registrar the latter may use the abovementioned portion of the funds in supporting other co-operative societies in the neighbourhood or shall place the same on interest or otherwise with some co-operative bank until a new co-operative society with a similar area of operation is registered in which event the funds shall be credited to the reserve fund of such society.

42A. If, however, at any time the general body resolves to split the society into more than one society by excluding a portion of the existing area of operations from the operations of the society and a new society or societies be registered to cover the area so excluded, a portion of the reserve fund shall be transferred to the society or societies as decided upon by the general body which resolves upon the splitting of the original society.

Miscellaneous.

43. No amendment to, alteration in, or cancellation of, a by-law nor the enactment of a new by-law shall be made except at a general meeting of the members or shall take effect until it shall have been approved by the Registrar.

44. Should any doubt arise as to the construction of the Act or any by-law, the Board of Directors shall refer the same to the Registrar of Co-operative Societies for advice and act according to his advice.

45. The society shall prepare annually in such form as may be prescribed by the Registrar (*a*) a statement showing the receipts and disbursements for the year, (*b*) a profit and loss account, (*c*) a balance sheet and (*d*) such other statements as may be prescribed by the Registrar. These statements shall be made up to 30th June and a copy of each shall be sent to the Registrar within fifteen days after the close of the co-operative year ending 30th June. After the Registrar has verified the statements and granted his audit certificate, the society shall publish such of the prescribed statements as he may direct in the manner prescribed by him.

46. In the case of a dispute touching the business of the society between members or past members of the society, or persons claiming through a member or past members or between a member or past member or persons so claiming and the Board of Directors, a reference in writing may be made by any party to the Registrar. Similarly, in the case of dispute relating to a debt due to the society by a member or past member or persons claiming through a member or past member, a reference in writing may be made by either party to the Registrar. The Registrar shall have power, on receipt of such reference, either to decide the dispute himself or refer it to an arbitrator appointed by him or to several arbitrators of whom one shall be appointed by him and one other by each of the parties to the dispute. The decision or award of the Registrar or of the arbitrator or arbitrators, as the case may be, shall be final and it may be enforced in either of these ways—

(*a*) by an application made to the Collector of the district through the Registrar of Co-operative Societies requesting that the amount due under the decision or award may be recovered in the same manner as arrears of land revenue; or

(*b*) by an application to the Civil Court having jurisdiction over the subject-matter of the decision or award requesting that the Court may enforce the decision or award as if it were a decree of the Court; or

(*c*) by an application to the Registrar of the district under section 57-A of the Madras Co-operative Societies Act VI of 1932.

47. Should any sum belonging to the society be either stolen or otherwise lost and found irrecoverable, it shall be open to the general body to write off such amounts after obtaining the sanction of the Registrar.

BY-LAWS OF THE $\frac{\text{COLLEGE}}{\text{SCHOOL}}$ STUDENTS' CO-OPERATIVE STORES, LIMITED, No.

Name, constitution and address.

The Students' Co-operative Stores, Limited, No. , is registered as a co-operative society under India Act II of 1912. Its address shall be post in the taluk of the district. Its operations shall be confined to

Objects.

2. The objects of the society are—

(*a*) the encouragement of thrift and self-help;

(*b*) the purchase of books, stationery and other articles required by members and associates, the carrying on in common for the benefit of members of the society of the trade of general dealers and the establishment and the conduct on co-operative principles of such other lines of work or departments of business as may from time to time be resolved upon by the general body of members;

(*c*) the dissemination of the knowledge of co-operative principles and their realization as far as practicable; and

(*d*) the doing of all such other things as are incidental or conducive to the attainment of the above objects.

Membership.

3. The liability of the members of the society shall be limited to the share capital subscribed by them.

4. The capital of the society shall for the present be Rs. made up of shares of Rs. each. The value of each share shall be paid in one lump sum on allotment.

5. (*a*) Any student of the $\frac{\text{College}}{\text{School}}$ and any member of the $\frac{\text{College}}{\text{School}}$ staff or establishment employed in the $\frac{\text{College}}{\text{School}}$ over 18 years of age who is competent to contract shall be eligible for admission as a member but no person can claim admission as a matter of right.

(*b*) Any student below 18 years of age may be admitted as an associate on payment of a sum of As. 4 as entrance fee. He is eligible to purchase from the stores and to bonus on purchases, but will not enjoy the privileges of membership.

6. Applications for admission as members or associates and for allotment of shares shall be made to the Secretary in the form, if any, prescribed by the society for the purpose. Every such

applications shall be disposed of by the Board of Directors who shall have power to grant admission or to refuse it without assigning reasons.

7. Every member shall take at least one share, but no member shall take more than shares. It shall, however, be competent for the members to utilize the dividend earned by them in the purchase of additional shares in which case the maximum number of shares which a member can hold shall not exceed . Every member shall pay an entrance fee of annas for each share taken by him at the time of taking the share provided that the total payment of entrance fees by any one member for all the shares held by him shall not exceed Rs. .

8. No member shall be permitted to withdraw any of the shares held by him in the society within years after the date when such shares were taken by him. When a member withdraws shares under this by-law, he shall be paid back the share capital actually paid by him with the dividend declared, if any.

9. Should a member cease to be eligible for membership either on account of the removal of his residence from the limits prescribed in by-law 1 or for any other cause, the society shall remove his name from the list of members and shall pay back within a reasonable period to such member the share capital actually paid by him with the dividend declared, if any, after deducting therefrom the money, if any, due from him to the society.

10. (1) If a member dies, his membership shall *ipso facto* cease.

(2) (*a*) Every member of the society may nominate any person to succeed, in the event of his death, to his share or interest in the society. Such nomination shall, in the event of his death, be given effect to by the society provided—

(i) the nomination was signed by the deceased in the presence of at least two witnesses attesting the same;

(ii) the nomination has been registered in the books of the society kept for the purpose; and

(iii) the person nominated shall have been admitted by the Board of Directors as a member of the society under by-law 6.

(*b*) In the event of there being no person nominated by the deceased member *who is qualified in accordance with the by-laws for membership of the society, the society shall transfer* the share or interest of the deceased member to *such person as may appear to the committee to be* the heir or legal representative of the deceased or to any person (nominated by such nominee, heir or legal representative within one month of the death of the deceased member, provided such heir or legal representative or nominee shall have been admitted by the committee as a member of the society under by-law 6).

(*c*) In the event of there being no person *qualified* to succeed under clause (*a*) or (*b*) of this by-law to the share or interest of a deceased member, the society shall pay to the nominee of the deceased or to the heir or legal representative as the case may be, a sum representing the deceased member's share or interest at the time of his death, ascertained in accordance with the by-laws of the society.

(3) Subject as aforesaid, the society may pay all other moneys due to the deceased member from the society, to the person nominated by him in accordance with clause (2) (*a*) of this by-law or to such person as may appear to the committee to be the heir or legal representative of the deceased member, as the case may be.

11. (1) A past member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date when he ceased to be a member for a period of two years from such date.

(2) The estate of a deceased member shall be liable, as provided in by-law 3 for debts due by the society as they existed on the date of his decease, for a period of one year after his decease.

12. No member shall be permitted to transfer his share or shares or create a charge in respect of the same in favour of another member or person except with the previous sanction of the Board of Directors.

13. With the sanction of the Board of Directors a member may at any time increase the number of shares held by him so as not to exceed the limit of shares laid down in by-law 7.

14. It shall be competent to the Board of Directors to borrow money if necessary from the Central Bank by way of cash credit provided that the total amount so borrowed shall not at any time exceed two times the paid up share capital of the society.

Management.

15. Subject to such resolutions as the general body may from time to time pass, the executive management of the affairs of the society shall vest in a Board of Directors. The Board of Directors shall consist of (1) the $\frac{\text{Principal}}{\text{Headmaster}}$ of the $\frac{\text{College}}{\text{School}}$ if he is a member or the senior lecturer of the staff on the general body who shall be ex-officio President, (2) a Vice-President, a Secretary and four other members elected by the general body.

16. The Board of Directors shall meet once a quarter, or oftener if necessary, to conduct the affairs of the society. No decision of the Board of Directors shall be valid unless it is assented to by at least four members.

17. The Vice-President, the Secretary and the Board of Directors shall be elected once a year by the general body. Members of the Board of Directors shall continue in office after the

expiry of their term of office until by election another board is constituted.

18. Subject to such resolutions as the Board of Directors may from time to time pass, the several officers of the society shall have the powers mentioned below:—

(*a*) the President shall have a general control over all the affairs of the society and shall ex-officio be the Treasurer and shall have the custody of all the properties of the society;

(*b*) the Secretary shall be responsible for the executive administration of the society subject to the control of the President. He shall also have power to appoint the members of the establishment as well as to fine, suspend or dismiss them, subject in the last two cases to the approval of the Board of Directors;

(*c*) the President shall be the officer to sue or be sued on behalf of the society and all bonds in favour of the society shall be in the name of the President; and

(*d*) the Vice-President shall have such powers and duties as the President may from time to time delegate to him.

19. All transactions of the society by way of purchase or distribution shall strictly be on the ready-money system.

20. Receipts shall be issued for all moneys paid to the society. For moneys paid by members the receipt shall be signed by the President, Vice-President or the Secretary whoever is selected by the Board of Directors to discharge this function.

21. It shall be the duty of the Board of Directors to maintain such accounts and registers as are prescribed by rule VII of the rules under the Act and by the Registrar from time to time, to place before a general body meeting of the members the Registrar's notes of audit or inspection within one month from the date of receipt, to correspond with the Registrar and to do all other business relating to the society.

22. The Board of Directors shall have power to prescribe from time to time the scale of office establishment and to incur such expenditure as may be necessary for the management of the society with reference to the scale and within the budget allotment sanctioned by the general body for each year. It shall be competent to the Secretary to incur petty contingent expenditure subject to a maximum of one rupee for any item.

23. The Board of Directors shall be competent to fix the amount and nature of the security, if any, to be given by the office establishment.

24. It shall be competent to the Board of Directors to frame subsidiary by-laws for the conduct of the business of the society consistent with the Act, the rules under the Act and these by-laws. Such subsidiary by-laws shall be entered in the minute

book of the society and they shall be reported to the Registrar of Co-operative Societies for approval.

25. The services of the members of the Board of Directors shall be gratuitous.

General body.

26. The ultimate authority in all matters relating to the administration of the society shall be the general body of members who shall meet from time to time and at least once a year to conduct the work of the society. The following among other matters shall be dealt with by the general body:—

(1) the election and removal of the Board of Directors except the President;

(2) the annual report due to the Registrar of Co-operative Societies;

(3) the Registrar's annual audit certificate;

(4) the amendment or repeal of any existing by-law or the enactment of a new by-law;

(5) the expulsion of a member; and

(6) the returns that may be prescribed by the Local Government.

27. A meeting of the general body of the members may be convened, whenever necessary for the conduct of the business by the Board of Directors and shall be so convened by the Board of Directors at the request of fifteen or more members or at the instance of the Registrar or by a member of the governing body specially deputed by a resolution of the governing body of the union to which the society is affiliated.

28. It shall be the duty of every member to attend the meetings of the general body. The quorum for a general body meeting shall be   or one-fourth of the total number of members on the list at the time, whichever is less. Associates may attend the general body meeting and take part in the discussions, but they are not entitled to vote.

29. The President, when present, shall preside at the meetings of the general body. In his absence the Vice-President shall preside at the meeting. Every member present shall have one and only one vote. All questions shall be decided by a majority of votes of the members present and voting. When votes are equal, the chairman of the meeting shall have a casting vote.

30.   days' notice shall ordinarily be given to members before a meeting of the general body is convened.

31. If a member deceives the society in any way, or if his general conduct is such as to render his removal necessary in the interests of the society, it shall be open to the general body to expel such member. An expelled member shall be paid all moneys due to him from the society, after deducting therefrom any money due from him to the society. A member who drives the society

to Court to recover the money due from him shall, for that reason, be expelled from membership. An expelled member shall be liable, as provided in by-law 3 for the debts due by the society as they stood on the date of his expulsion, for a period of two years after such expulsion.

32. The general body shall have authority to affiliate the society to any co-operative union or other supervising body (with suitable jurisdiction) that may be registered by the Registrar or that is working in the neighbourhood of the society. Towards the expenses of such union the society shall contribute such sum as is fixed by the general body with the approval of the union or supervising body and the Registrar, provided that the total amount payable on this account in any one year shall not exceed Rs. 150.

Trade.

33. (*a*) The society shall carry on such wholesale and retail trade as may from time to time be decided on by the Board of Directors, provided however that no new trade shall at any time be undertaken by the society except with the previous sanction of the Registrar.

(*b*) And provided also that all purchases be made on previous indents obtained from members and associates and provided also if the Board of Management so decide that indents should be accompanied by at least 25 per cent of the approximate value of the articles indented for.

34. All transactions by way of sales shall be strictly on the ready-money system and shall be confined to members only.

35. The Board of Directors may, subject to the sanction of the Registrar and subject to such conditions as he may impose from time to time, empower the Secretary to buy from and sell to any co-operative society registered under India Act X of 1904 or Act II of 1912 such commodity or commodities as they may specify.

36. At the end of each quarter stock shall be taken and necessary depreciation allowed by the Board of Directors.

Profits.

37. (1) Twenty-five per cent of the net profits of the society as declared by the Registrar of Co-operative Societies year after year shall be carried to the reserve fund;

(2) out of the remainder a dividend not exceeding one pie per rupee per mensem may be paid to the members proportionately to the amount of paid-up share capital held by each;

(3) a sum not exceeding $7\frac{1}{2}$ per cent of the net profits may be carried to the credit of the common good fund to be utilized for any of the purposes mentioned in section 2 of the Charitable Endowments Act VI of 1890 (India); viz.,

(4) a bonus at a rate to be fixed by the general body on the recommendation of the Board of Directors shall be divided among the members and associates according to the amount of purchases made by them during the year; and

(5) the balance, if any, shall be carried to the reserve.

All undisbursable and indivisible profits shall be added to the reserve fund.

Reserve fund.

38. (1) The reserve fund shall belong to the society as a whole and is intended to meet unforeseen losses. No member can claim a share in it. It shall be invested in such manner as the Registrar of Co-operative Societies prescribes and shall not be drawn upon except with his sanction.

(2) On the dissolution of the society the reserve fund and other funds contributed by it under provisions of its by-laws shall be applied—

(i) to discharging such liabilities of the society as may remain undischarged after the enforcement in full of the liability of the members of the society,

(ii) to the repayment of the share capital paid-up, and

(iii) to the payment of dividend upon such share capital at a rate not exceeding 9 per cent per annum for any period or periods for which no dividend has been paid.

(3) Such portion of these funds as shall remain after payments mentioned in sub-clause (2) shall be applied to such local objects of public utility as may be selected by the general body and approved of by the Registrar. If within three months of the final closing up of the society the general body fails to make any selection that is approved of by the Registrar the latter may use the abovementioned portion of the funds in supporting other co-operative societies in the neighbourhood or shall place the same on interest or otherwise with some co-operative bank until a new co-operative society with a similar area of operations is registered in which event the funds shall be credited to the reserve fund of such society.

39. If, however, at any time the general body resolves to split the society into more than one society by excluding a portion of the existing area of operations from the operations of the society and a new society or societies be registered to cover the area so excluded a portion of the reserve fund shall be transferred to the society or societies as decided upon by the general body which resolves upon the splitting of the original society.

Miscellaneous.

40. No amendment to, alteration in, or cancellation of, a by-law nor the enactment of a new by-law shall be made except at a general meeting of the members or shall take effect until it shall have been approved by the Registrar.

41. Should any doubt arise as to the construction of the Act or any by-law, the Board of Directors shall refer the same to Registrar of Co-operative Societies for advice and act according to his advice.

42. The society shall prepare annually in such form as may be prescribed by the Registrar (*a*) a statement showing the receipts and disbursements for the year, (*b*) a profit and loss account, (*c*) a balance sheet and (*d*) such other statements as may be prescribed by the Registrar. These statements shall be made up to 30th June and a copy of each shall be sent to the Registrar within fifteen days after the close of the co-operative year ending 30th June. After the Registrar has verified the statements and granted his audit certificate the society shall publish such of the prescribed statements as he may direct in the manner prescribed by him.

43. In the case of a dispute touching the business of the society between members or past members of the society, or persons claiming through a member or past member or between a member or past member or persons so claiming and the Board of Directors, a reference in writing may be made by any party to the Registrar. Similarly, in the case of a dispute relating to a debt due to the society by a member or past member or persons claiming through a member or past member, a reference in writing may be made by either party to the Registrar. The Registrar shall have power, on receipt of such reference, either to decide the dispute himself or refer it to an arbitrator appointed by him or to several arbitrators of whom one shall be appointed by him and one other by each of the parties to the dispute. The decision or award of the Registrar or of the arbitrator or arbitrators, as the case may be, shall be final and it may be enforced in either of these ways—

(*a*) by an application made to the Collector of the district through the Registrar of Co-operative Societies requesting that the amount due under the decision or award may be recovered in the same manner as arrears of land revenue; or

(*b*) by an application to the civil court having jurisdiction over the subject matter of the decision or award requesting that the court may enforce the decision or award as if it were a decree of the court;

(*c*) by an application to the Registrar of the District under section 57-A of the Co-operative Societies Act.

44. The business of the society shall always be conducted outside college hours.

45. Should any sum belonging to the society, be either stolen or otherwise lost and found irrecoverable, it shall be open to the general body to write-off such amounts after obtaining the sanction of the Registrar.

BY-LAWS OF THE WEAVERS' CO-OPERATIVE SALE SOCIETY, LIMITED, No.

Name, constitution and address.

The Weavers' Co-operative Sale Society, Limited, No. , is registered as a Co-operative Society under Act VI of 1932 (Madras). Its address shall be village, post, in the taluk of in the district. Its operations shall be confined to

Objects.

2. The object of the society is the improvement of the hand-loom industry and of the economic condition of the weavers residing in the area of operations mentioned in by-law 1. For the purpose of attaining this object it shall be competent (1) to raise the money required for the society from weavers and others by issue of shares and by borrowing by way of deposits or otherwise; (2) to purchase such raw materials and appliances as may be required for the industry; and retail the same either for cash or credit to the weaver members residing in those places; (3) to grant loans to members; (4) to purchase and hold in common or let on hire improved appliances connected with the industry; (5) to purchase or receive for sale the finished products of members' looms and sell the same to the best advantage; (6) to act as the agent for the joint purchase of the domestic and other requirements of its members and for the sale of their finished products; and (7) to do such other acts as may be conducive to the attainment of the general objects of the society.

Membership.

3. The liability of the members of the society shall be limited to the share capital subscribed by them.

4. The capital of the society shall for the present be Rs. made up of shares of Rs. each. The value of each share shall be paid either in one lump sum on allotment or in instalments. When paid in instalments, Rs. shall be paid at the time of taking the share and the balance in months years commencing from the month/year subsequent to that in which the share was taken. The monthly/annual instalment shall be paid on or before the 15th day of the month/last day of the year to which it relates. The month/year in this by-law means the British calendar month/co-operative year. A member who has elected to pay the share value in instalments may pay the whole or any portion of the balance at any stage in advance. If a member is in arrears to the extent of a sum equivalent to or more than three monthly instalments/an annual instalment his name

may be removed from the list of members in which case he shall be paid back after a period of six months/at once the share capital actually paid by him after deducting therefrom the moneys, if any, due from him to the society. If the payment is not made on the due date a fine of 2 pies per rupee per mensem will be levied and the defaulter will be debarred from exercising the privileges of membership. The monthly instalments may be collected in small sums out of the value of finished products paid to members daily, weekly, or monthly.

5. Any weaver over eighteen years of age who is competent to contract, residing within the limits referred to in the third sentence of by-law I shall be eligible for admission as a member; but no weaver can claim admission as a matter of right. It shall be competent to the Board of Directors to admit as members persons other than weavers provided that the majority of the members of the society shall always be weavers.

6. Applications for admission as members and for allotment of shares shall be made to the Secretary in the form, if any, prescribed by the society for the purpose. Every such application shall be disposed of by the Board of Directors who shall have power to grant admission or to refuse it without assigning reasons.

7. Every member shall take at least one share; but no member shall take more than shares. Every member shall pay an entrance fee of annas for each share taken by him at the time of taking the share provided that the total payment of entrance fees by any one member for all the shares held by him shall not exceed Rs. .

8. No member shall be permitted to withdraw any of the shares held by him in the society within years after the date when such shares were taken by him. But a member may withdraw shares with the consent of the Board of Directors after such period, provided, firstly, that he has given at least six months' notice of withdrawal; secondly, that the total amount of share capital that is permitted to be withdrawn in any one year does not exceed 10 per cent of the aggregate paid-up share capital of the society as it was on June 30th preceding; thirdly, that there are no debts due from him to the society; and fourthly, that there are no debts due to the society in regard to which he has stood surety. When a member withdraws shares under this by-law, he shall be paid back the share capital actually paid by him with the dividend declared, if any. The ten per cent limit to which the withdrawal of share capital in any one year is restricted in this by-law shall cover all withdrawals except those made under by laws 9, 10 and 36.

9. Should a member cease to be eligible for membership either on account of the removal of his residence from the limits prescribed in by-law 1 or for any other cause, the society shall remove

his name from the list of members and shall pay back within a reasonable period to such member the share capital actually paid by him with the dividend declared, if any, after deducting therefrom the money, if any, due from him to the society either as principal debtor or as surety.

10. (1) If a member dies his membership shall *ipso facto* cease.

(2) (*a*) Every member of the society may nominate any person to succeed, in the event of his death, to his share or interest in the society. Such nomination shall, in the event of his death, be given effect to by the society, provided—

(i) the nomination was signed by the deceased in the presence of at least two witnesses attesting the same;

(ii) the nomination has been registered in the books of the society kept for the purpose; and

(iii) the person nominated shall have been admitted by the Board of Directors as a member of the society under by-law 6.

(*b*) In the event of there being no person nominated by the deceased member *who is qualified in accordance with the by-laws for membership of the society, the society shall transfer* the share or interest of the deceased member to *such person as may appear to the committee to be* the heir or legal representative or the deceased or to any person (nominated by such nominee, heir or legal representative) within one month of the death of the deceased member, provided such heir or legal representative or nominee shall have been admitted by the committee as a member of the society under by-law 6.

(*c*) In the event of there being no person *qualified* to succeed under clause (*a*) or (*b*) of this by-law to the share or interest of a deceased member, the society shall pay to the nominee of the deceased or to the heir or legal representative as the case may be, a sum representing the deceased memerbs' share or interest at the time of his death, ascertained in accordance with the by-laws of the society.

(3) Subject as aforesaid, the society may pay all other moneys due to the deceased member from the society, to the person nominated by him in accordance with clause (2) (*a*) of this by-law or to such person as may appear to the committee to be the heir or legal representative of the deceased member, as the case may be.

11. (1) A past member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date when he ceased to be a member, for a period of two years from such date.

(2) The estate of a deceased member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date of his decease, for a period of two years after his decease.

12. No member shall be permitted to transfer his share or shares or create a charge in respect of the same in favour of another member or person except with the previous sanction of the Board of Directors.

13. With the sanction of the Board of Directors a member may, at any time, increase the number of shares held by him so as not to exceed the limit of shares laid down in by-law 7.

Deposits.

14. Deposits may, at the discretion of the Board of Directors, be received at any time from members or non-members.

15. Deposits from members shall be given preference to deposits from non-members.

16. There shall be classes for deposits: (A) Fixed and (B) Recurring.

A.—Fixed deposits.

(i) A fixed deposit is the deposit of a fixed amount of money for a fixed period of time. No fixed deposit shall be received for a sum less than Rs. 5 or an exact multiple thereof, or for a period less than six months.

(ii) Interest shall ordinarily be calculated on fixed deposits at a rate not exceeding $6\frac{1}{4}$ per cent per annum. Should a fixed deposit from a member or from a co-operative society be made for a period of not less than one year, the deposit being not less than Rs. 100, interest may be paid thereon at a rate not exceeding $7\frac{1}{2}$ per cent per annum. Interest on fixed deposits shall be paid yearly or at such shorter intervals as may have been agreed upon at the time of deposit.

(iii) The interest on a fixed deposit shall cease on the expiry of the period for which the deposit was made, unless notice in writing of the intention to renew the deposit for a further period of not less than six months has been received in the office of the society before the expiry of the original period. The society is not, however, bound to renew a fixed deposit after the expiry of the period for which it was made; but in case of such refusal interest shall be payable at the former rate until the date of such refusal.

B.—Recurring deposits.

A recurring deposit is a deposit made by a person who undertakes to pay to the society every month a fixed amount of one rupee or a multiple or a sub-multiple thereof for a period of 12, 24, 45, 84, or 132 months. A depositor paying one rupee per mensem for a period of 12, 24, 45, 84, or 132 months shall, before the close of the 14th, 26th, 47th, 86th or 134th month, receive a sum of Rs. 12–6–8, Rs. 25–8–0, Rs. 50, Rs. 102–8–0, or Rs. 180–8–0, respectively, as the case may be, out of which the sum of Rs. 12, 24, 45, 84, or 132 shall be debited in the accounts

as repayment of principal and the balance as interest thereon. Every recurring depositor shall pay his monthly deposit before the end of the calendar month to which it relates, failing which, he shall be charged a fine of 2 pies per rupee per month or fraction thereof on every rupee overdue. Should a recurring depositor be in arrears to the extent of a sum equivalent to or more than four monthly instalments his deposit account shall at once be closed and he shall be paid back the amount actually paid by him, it being open to the society to credit the whole or part of such amounts towards any money due from the depositor to the society. In such a case any fine imposed under this by-law shall be remitted. It shall be competent to a recurring depositor with the consent of the Board of Directors to alter the nature of his recurring deposit to any of the categories of such deposits prescribed in this by-law.

Other borrowings.

17. It shall be competent to the Board of Directors to borrow funds otherwise than by way of deposits either from members, or from persons other than members, or from institutions registered under the Indian Companies Act or under the Co-operative Societies Act provided that the interest payable on the borrowed amount shall not, in any case, exceed $7\frac{1}{2}$ per cent per annum.

Maximum borrowing limit.

18. The total borrowings of the society both by way of deposits or otherwise and whether from members or others including the value of any raw materials and appliances purchased on credit under by-law shall not at any time exceed times the paid-up share capital *plus* the reserve fund.

Management.

19. Subject to such resolutions as the general body may from time to time pass, the executive management of the affairs of the society shall vest in a Board of Directors. The Board of Directors shall consist of not more than members.

20. The members of the Board of Directors shall be elected by the general body for a period of two years from among the members. Members of the Board of Directors shall continue in office after the expiry of their term of office, until by election another Board is constituted. A retiring member of the Board of Directors shall be eligible for re-election. After the Board of Directors is elected by the general body, they shall elect from among themselves a president, a secretary, and an assistant secretary. Interim vacancies on the Board of Directors may be filled up by the remaining members of the Board by co-option for the unexpired portion of the period except in cases contemplated in by-law 24. Any member or members of the Board of Directors may at any time be removed by a resolution of the general body.

21. The Board of Directors shall meet once a fortnight or oftener, if necessary, to conduct the affairs of the society. No decision of the Board of Directors shall be valid unless it is assented to by at least   members. All questions before the Board of Directors shall be decided by a majority of votes. Should there be an equality of votes, the President or other presiding members shall have a casting vote. No member of the Board of Directors shall be present at a meeting of the Board when any matter in which he is personally interested is being discussed. In case of urgency where there may not be sufficient time to convene a meeting of the Board of Directors and in all cases in which such a procedure may, from time to time, be prescribed by the Board of Directors, the Secretary may obtain the orders of the Board of Directors by circulation of papers among the members present at the headquarters of the society. Such decisions arrived at by circulation shall be placed before the next meeting of the Board of Directors for their $\frac{\text{ratification}}{\text{information}}$ Should a difference of opinion arise in the course of such circulation the matter shall not be decided by circulation but shall be placed before a meeting of the Board of Directors.

22. Should a member of the Board of Directors absent himself from four consecutive meetings of the Board, he shall cease to be a member of the Board of Directors, but he may be reinstated by the Board of Directors.

23. Subject to such resolutions as the Board of Directors may from time to time pass, the several officers of the society shall have the powers mentioned below:—

(*a*) The President shall have a general control over all the affairs of the society and shall ex-officio be the Treasurer and shall have the custody of all the properties of the society. He shall also have power to appoint the members of the establishment as well as to fine, suspend, or dismiss them, subject in the last two cases to the approval of the Board of Directors.

(*b*) The Secretary shall be responsible for the executive administration of the society subject to the control of the President.

(*c*) The $\frac{\text{Secretary}}{\text{President}}$ shall be the officer to sue or be sued on behalf of the society and all bonds in favour of the society shall be in the name of the $\frac{\text{Secretary}}{\text{President}}$.

(*d*) The Assistant Secretary shall help the Secretary. Should the Secretary or the Assistant Secretary require relief from work, it shall be competent to the President to grant such relief, making suitable arrangement for the conduct of work by one or more of the members of the Board of Directors.

24. Any member of the Board of Directors who commits default in respect of a loan taken by him from the society shall *ipso facto* be considered disqualified to continue as an office-bearer. But if the default has been for a period of three months or less, the defaulter may be reinstated by the general body on his showing good cause for the default. In no circumstance shall a defaulter continue to hold office as a member of the Board of Directors if his default has continued for more than three months.

25. Receipt shall be issued for all moneys paid to the society. For monies paid by members the receipt shall be signed by the President or the Secretary or the Assistant Secretary whoever is selected by the Board of Directors to discharge this function. In the case of borrowings from non-members or from other societies, the receipt or bond shall be executed by at least members of the Board of Directors of whom the Secretary or the President shall be one.

26. It shall be the duty of the Board of Directors to maintain such accounts and registers as are prescribed by rule V of the rules under the Act and by the Registrar from time to time; to place before a general body meeting of the members the Registrar's notes of audit or inspection within one month from the date of receipt; to correspond with the Registrar; and to do all other business relating to the society.

27. The Board of Directors shall have power to prescribe from time to time the scale of office establishment and to incur such expenditure as may be necessary for the management of the society with reference to the scale and within the budget allotment sanctioned by the general body for each year. It shall be competent to the Secretary to incur petty contingent expenditure subject to a maximum of Re. 1 for any item.

28. The Board of Directors shall be competent to fix the amount and nature of the security, if any, to be given by the office establishment.

29. It shall be competent to the Board of Directors to frame subsidiary by-laws for the conduct of the business of the society consistent with the Act, the rules under the Act and these by-laws. Such subsidiary by-laws shall be entered in the minute book of the society and they shall be reported to the Registrar of Co-operative Societies for approval.

30. The services of the members of the Board of Directors shall be gratuitous.

General body.

31. The ultimate authority in all matters relating to the administration of the society shall be the general body of the members who shall meet from time to time and at least once a year to conduct the work of the society. The general body shall not, however, interfere with the orders of the Board of Directors in

respect of matters delegated to it under the by-laws. The following among other matters shall be dealt with by the general body:—

(1) The election and removal of the Board of Directors;

(2) the annual report due to the Registrar of Co-operative Societies;

(3) the Registrar's annual audit order;

(4) the amendment or repeal of any existing by-law or the enactment of a new by-law;

(5) the expulsion of a member;

(6) the consideration of any complaint which any individual member may prefer against the Board of Directors;

(7) the returns that may be prescribed by the Local Government; and

(8) consideration of the annual budget.

32. A meeting of the general body of the members may be convened whenever necessary for the conduct of the business by the Board of Directors; and shall be so convened by the Board of Directors at the request of 15 or more members or at the instance of the Registrar or by a member of the governing body specially deputed by a resolution of the governing body of the union to which the society is affiliated.

33. It shall be the duty of every member to attend the meetings of the general body. The quorum for a general body meeting shall be   or one-fourth of the total number of members on the list at the time whichever is less.

34. The President, when present, shall preside at the meetings of the general body. In his absence the body may choose a chairman from their number to preside at the meeting. Every member present shall have one and only one vote. All questions shall be decided by a majority of votes of the members present and voting. When votes are equal, the chairman of the meeting shall have a casting vote.

35.   day's notice shall ordinarily be given to members before a meeting of the general body is convened.

36. If a member deceives the society in any way, or if his general conduct is such as to render his removal necessary in the interests of the society, it shall be open to the general body to expel such member. An expelled member shall be paid all moneys due to him from the society, after deducting therefrom any money due from him to the society. A member who drives the society to court to recover the money due from him shall, for that reason, be expelled from membership. An expelled member shall be liable, as provided in by-law 3, for the debts due by the society as they stood on the date of his expulsion for a period of two years after such expulsion.

37. The general body shall have authority to affiliate the society to any co-operative union or other supervising body (with suitable jurisdiction) that may be registered by the Registrar or that is working in the neighbourhood of the society. Towards the expenses of such union the society shall contribute such sum as is fixed by the general body with the approval of the union or supervising body and the Registrar, provided that the total amount payable on this account in any one year shall not exceed Rs. 150.

Trade.

38. It shall be the duty of the Board of Directors to arrange for the purchase for cash or on credit of raw materials and appliances required by members and for their sale to members for cash or on credit on such terms as may appear to them reasonable. They should also arrange to purchase from members all their finished products on such terms as may be reasonable and to sell or dispose of them for sale to the best advantage.

39. The Board of Directors shall lay down rules to regulate the advance or sale of raw materials or appliances to the members of the society and the recovery of the cost on the same from the members concerned; and they should, in particular, fix the value of raw materials that may be outstanding on credit with a member at any time. It shall be competent to the Board of Directors to alter these rules from time to time.

40. A member of the society who, having received an advance of raw material, sells such material or otherwise deals with it in contravention of the conditions laid down by the Board of Directors shall be liable to a fine not exceeding Rs. 5 for every such offence; and if he persists in such conduct, it shall be open to the Board of Directors to direct his suspension from the privileges of membership till he is expelled or allowed to continue to enjoy the privileges of membership by the general body.

41. Every member shall, if required by the Board of Directors, sell his finished products to the society at such rates as may be prescribed from time to time by the Board of Directors.

42. It shall be the duty of all the members to deliver their finished products from day to day to the Board of Directors, accounts being adjusted at the end of every month. A member who sells his finished product otherwise than to the Board of Directors shall be liable to a fine not exceeding Rs. 5 for each offence, and if he persists in breach of this rule, it shall be competent to the Board of Directors to suspend him from the privileges of membership till the question is settled by the general body.

43. Every member shall, if so required by the Board of Directors, purchase all or any of the raw materials of his industry from the Board of Directors. A member who buys his raw materials otherwise than from the Board of Directors shall be liable to a fine not exceeding Rs. 5 for each offence; and if he persists in a

breach of this rule it shall be competent to the Board of Directors to suspend him from privileges of membership till the question is settled by the general body.

Ready money advances.

44. The Board of Directors shall be competent to make ready money advances for weaving purposes to members; provided, however, that such advances shall not ordinarily exceed Rs. 5 per loom and provided also that arrangements shall be made for the adjustment of these advances when the finished products are delivered.

45. It shall be competent to the Board of Directors to lend money to weaver members to pay off their prior debts; provided, firstly, that the total amount so lent shall not at any time exceed Rs. 500; secondly, that the total amount lent to a single member for his purpose shall not exceed Rs. 50; and thirdly, that arrangements shall be made for the repayment, within a period not exceeding two years, by weekly instalments, of the money advanced to a member to enable him to pay off his prior debt. On all such loans interest shall be charged at $1\frac{1}{2}$ pies per rupee per mensem.

46. A member applying for a ready money advance shall produce one or more sureties to the satisfaction of the Board of Directors. Any member shall not keep yarn for more than a fortnight without returning it to the society in the shape of cloth. He shall pay a penalty of three pies per rupee on the value of yarn for every fortnight or portion thereof from the date of default. If the default shall continue for more than a month, the member shall not be given any more advances of yarn, the outstanding loans against him being recoverable immediately.

Joint purchase and sale.

47. (1) The Board of Directors may purchase wholesale the domestic and other requirements of the members; but in making such a purchase it shall act only as the agent of the members and shall accept no liability for any loss occurring in the transaction. Purchase shall be made only to the extent of the requirements of those members who are able to pay in cash or to whom the society is able to give a loan for the purpose of payment. Accounts showing these transactions shall be maintained in such forms as the Registrar may prescribe. Subsidiary by-laws may be framed by the Board of Directors for purposes of these purchases subject to their approval by the Registrar.

(2) It shall be competent to the Board of Directors to undertake the joint sale of the finished products of any of their members at their request. But in undertaking such sales, it shall accept no liability for loss and shall act merely as the agent of the members.

Profits.

48. (1) Twenty-five per cent of the net profits of the society as declared by the Registrar year after year shall be carried to the credit of the reserve fund;

(2) out of the balance a dividend not exceeding 9 per cent per annum on the paid-up value of each share may be paid to the members;

(3) out of the remainder such amount as may be decided by general body may be divided among members according to the value of finished products delivered to the society or of raw materials purchased from the society as decided by the general body;

(4) seven and a half per cent may be paid to the common good fund to be utilized for any of the purposes mentioned in section 2 of Act VI of 1890 (India), namely (   ) if the general body wish;

(5) the balance, if any, shall be added to the reserve fund.

All undisbursable and indivisible profits shall be added to the reserve fund.

Reserve fund.

49. (1) The reserve fund shall belong to the society as a whole and is intended to meet unforeseen losses. No member can claim a share in it. It shall not be drawn upon except with the sanction of the Registrar.

(2) On the dissolution of the society the reserve fund and other funds contributed by it under provisions of its by-laws shall be applied,

(i) to discharging such liabilities of the society as may remain undischarged after the enforcement in full of the liability of the members of the society;

(ii) to the repayment of the share capital paid up; and

(iii) to the payment of dividend upon such share capital at a rate not exceeding 9 per cent per annum for any period or periods for which no dividend has been paid.

(3) Such portion of these funds as shall remain after payments mentioned in sub-clause (2) shall be applied to such local objects of public utility as may be selected by the general body and approved of by the Registrar. If within three months of the final closing up of the society the general body fails to make any selection that is approved of by the Registrar the latter may use the abovementioned portion of the funds in supporting other co-operative societies in the neighbourhood or shall place the same on interest or otherwise with some co-operative bank until a new co-operative society with a similar area of operation is registered; in which event, the funds shall be credited to the reserve fund of such society.

50. If, however, at any time the general body resolves to split the society into more than one society by excluding a portion of the existing area of operations from the operations of the society and a new society or societies be registered to cover the area so excluded a portion of the reserve fund shall be transferred to the society or societies as decided upon by the general body which resolves upon the splitting of the original society.

Miscellaneous.

51. No amendment to, alteration in, or cancellation of, a by-law nor the enactment of a new by-law shall be made except at a general meeting of the members or shall take effect until it shall have been approved by the Registrar.

52. Should any doubt arise as to the construction of the Act or any by-law, the Board of Directors shall refer the same to the Registrar of Co-operative Societies for advice and act according to his advice.

53. The society shall prepare annually in such form as may be prescribed by the Registrar (*a*) a statement showing the receipts and disbursements for the year, (*b*) a profit and loss account, (*c*) a balance sheet and (*d*) such other statements as may be prescribed by the Registrar.

These statements shall be made up to 30th June and a copy of each shall be sent to the Registrar within fifteen days after the close of the co-operative year ending 30th June. After the Registrar has verified the statements and granted his audit certificate the society shall publish such of the prescribed statements as he may direct in the manner prescribed by him.

54. In the case of a dispute touching the business of the society between members or past members of the society, or persons claiming through a member or past member or between a member or past member or persons so claiming and the Board of Directors a reference in writing may be made by any party to the Registrar. Similarly, in the case of a dispute relating to a debt due to the society by a member or past member or persons claiming through a member or past member, a reference in writing may be made by either party to the Registrar. The Registrar shall have power, on receipt of such reference, either to decide the dispute himself or refer it to an arbitrator appointed by him or to several arbitrators of whom one shall be appointed by him and one other by each of the parties to the dispute. The decision or award of the Registrar or of the arbitrator or arbitrators, as the case may be, shall be final and it may be enforced in either of these ways:—

(*a*) by an application made to the Collector of the district through the Registrar of Co-operative Societies requesting that the amounts due under the decision or award may be recovered in the same manner as arrears of land revenue;

(b) by an application to the Civil Court having jurisdiction over the subject matter of the decision or award requesting that the Court may enforce the decision or awards as if it were a decree of the Court;

(c) by an application to the Registrar of the district under section 57-A of the Madras Co-operative Societies Act VI of 1932.

55. Should any sum belonging to the society be either stolen or otherwise lost, and found irrecoverable, it shall be open to the general body to write off such amounts after obtaining the sanction of the Registrar.

APPENDIX.

Special by-laws to be introduced or not—Optional.

When a mortgage deed is executed by a member, the Board of Directors shall insist on all persons interested in the property joining in the execution whether such persons are themselves members or not.

When a member who has mortgaged a house or a building to the society desires to make any addition, improvement or other alteration to the same, he shall apply to the Board of Directors for permission to do so and he shall not make any alteration before obtaining such permission. Before according sanction the Board may call for a plan showing the alterations proposed and may insist upon security being furnished for the mortgage amount pending completion of the work. The Board of Directors shall not, in any case, permit an alteration which is likely to reduce the market value of the mortgage property so as to endanger the security.

In the case of an application for a loan on the security of immovable property the application shall be accompanied by the title-deeds and other documents relating to the property. All immovable property proposed to be mortgaged shall be inspected by two members of the Board of Directors who may be deputed to do so by the Board. The surveyors so appointed shall submit an accurate estimate of the market value of the immovable property and report of all persons having any interest in such property. In each case the applicant for the loan shall pay an estimate fee of 4 annas for every Rs. 100 of the loan applied for.

The fee collected under this by-law shall be paid to the two members of the Board of Directors who act as surveyors.

Members of the Board of Directors appointed as surveyors shall, in all cases, be held strictly responsible for the correctness of their reports, estimates and valuations.

It shall be competent to the Board of Directors to reject any report, estimate or valuation made by any surveyor on the basis of information of their disposal.

BY-LAWS OF THE CO-OPERATIVE EGG PRODUCTION AND SALE SOCIETY, LIMITED, No.

Name, constitution and address.

The Co-operative Egg Production and Sale Society, Limited, No. is registered as a Co-operative Society under Act VI of 1932 (Madras). Its address shall be village, post, in the taluk of in the district. Its operations shall be confined to

Objects.

2. The objects of the society are—

(i) To enable members to buy and maintain good strains of fowls;

(ii) to buy and maintain pure bred cocks for the use of members;

(iii) to arrange for the sale of eggs produced by members to the best advantage by putting on the market fresher and if possible larger eggs; and

(iv) to promote other measures designed to encourage in the members the spirit and practice of thrift, mutual help and self-help.

Membership.

3. The liability of the members of the society shall be limited to the share capital subscribed by them.

4. The capital of the society shall for the present be Rs. made up of shares of Rs. each. The value of each share shall be paid either in one lump sum on allotment or in instalments. When paid in instalments, Rs. shall be paid at the time of taking the share and the balance in months/years commencing from the month/year subsequent to that in which the share was taken. The monthly/annual instalment shall be paid on or before the 15th day of the month/last day of the year to which it relates. The month/year in this by-law means the British calendar month/co-operative year. A member who has elected to pay the share value in instalments may pay the whole or any portion of the balance at any stage in advance. If a member is in arrears to the extent of a sum equivalent to or more than three monthly instalments/an annual instalment his name may be removed from the list of members in which case he shall be paid back after a period of six months/at once the share capital actually paid by him after deducting therefrom the moneys, if any, due from him to the society. If the payment is not made on the due date a fine of 2 pies per

rupee per mensem will be levied and the defaulter will be debarred from exercising the privileges of membership. The monthly instalments may be collected in small sums out of the value of eggs produced paid to members daily, weekly or monthly.

5. Any person over eighteen years of age who is competent to contract residing within the limits referred to in the third sentence of by-law 1 who keeps fowls or is willing to maintain fowls shall be eligible for admission as a member; but no person can claim admission as a matter of right.

6. Applications for admission as members and for allotment of shares shall be made to the Secretary in the form, if any, prescribed by the society for the purpose. Every such application shall be disposed of by the Board of Directors who shall have power to grant admission or to refuse it without assigning reasons.

7. Every member shall take at least one share, but no member shall take more than shares. Every member shall pay an entrance fee of annas for each share taken by him at the time of taking the share provided that the total payment of entrance fees by any one member for all the shares held by him shall not exceed Rs.

8. No member shall be permitted to withdraw any of the shares held by him in the society within years after the date when such shares were taken by him. But a member may withdraw shares with the consent of the Board of Directors after such period provided, firstly, that he has given at least six months' notice of withdrawal, secondly, that the total amount of share capital that is permitted to be withdrawn in any one year does not exceed 10 per cent of the aggregate paid-up share capital of the society as it was on June 30th preceding, thirdly, that there are no debts due from him to the society and, fourthly, that there are no debts due to the society in regard to which he has stood surety. When a member withdraws shares under this by-law, he shall be paid back the share capital actually paid by him with the dividend declared, if any. The ten per cent limit to which the withdrawal of share capital in any one year is restricted in this by-law shall cover all withdrawals except those made under by-laws 9, 10 and 36.

9. Should a member cease to be eligible for membership either on account of the removal of his residence from the limits prescribed in by-law 1 or for any other cause, the society shall remove his name from the list of members and shall pay back within a reasonable period to such member the share capital actually paid by him with the dividend declared, if any, after deducting therefrom the money, if any, due from him to the society either as principal debtor or as surety.

10. (1) If a member dies his membership shall *ipso facto* cease,

(2) (*a*) Every member of the society may nominate any person to succeed, in the event of his death, to his share or interest in the society. Such nomination shall, in the event of his death, be given effect to by the society provided—

(i) the nomination was signed by the deceased in the presence of at least two witnesses attesting the same;

(ii) the nomination has been registered in the books of the society kept for the purpose; and

(iii) the person nominated shall have been admitted by the Board of Directors as a member of the society under by-law 6.

(*b*) In the event of there being no person nominated by the deceased member *who is qualified in accordance with the by-laws for membership of the society, the society shall transfer* the share or interest of the deceased member to *such person as may appear to the committee to be* the heir or legal representative of the deceased or to any person (nominated by such nominee, heir or legal representative within one month of the death of the deceased member, provided such heir or legal representative or nominee shall have been admitted by the committee as a member of the society under by-law 6.

(*c*) In the event of there being no person *qualified* to succeed under clause (*a*) or (*b*) of this by-law to the share or interest of a deceased member, the society shall pay to the nominee of the deceased or to the heir or legal representative as the case may be, a sum representing the deceased member's share or interest at the time of his death, ascertained in accordance with the by-laws of the society.

(3) Subject as aforesaid, the society may pay all other moneys due to the deceased member from the society, to the person nominated by him in accordance with clause (2) (*a*) of this by-law or to such person as may appear to the committee to be the heir or legal representative of the deceased member, as the case may be.

11. (1) A past member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date when he ceased to be a member, for a period of two years from such date.

(2) The estate of a deceased member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date of his decease, for a period of two years after his decease.

12. No member shall be permitted to transfer his share or shares or create a charge in respect of the same in favour of another member or person except with the previous sanction of the Board of Directors.

13. With the sanction of the Board of Directors a member may, at any time, increase the number of shares held by him so as not to exceed the limit of shares laid down in by-law 7.

Deposits.

14. Deposits may, at the discretion of the Board of Directors, be received at any time from members or non-members.

15. Deposits from members shall be given preference to deposits from non-members.

16. There shall be one class of deposit, viz., Fixed.

Fixed deposits.

(i) A fixed deposit is the deposit of a fixed amount of money for a fixed period of time. No fixed deposit shall be received for a sum less than Rs. 5 or an exact multiple thereof, or for a period of less than six months.

(ii) Interest shall ordinarily be calculated on fixed deposits at a rate not exceeding $6\frac{1}{4}$ per cent per annum. Should a fixed deposit from a member or from a co-operative society be made for a period of not less than one year, the deposit being not less than Rs. 100, interest may be paid thereon at a rate not exceeding $7\frac{1}{2}$ per cent per annum. Interest on fixed deposits shall be paid yearly or at such shorter intervals as may have been agreed upon at the time of deposit.

(iii) The interest on a fixed deposit shall cease on the expiry of the period for which the deposit was made, unless notice in writing of the intention to renew the deposit for a further period of not less than six months has been received in the office of the society before the expiry of the original period. The society is not, however, bound to renew a fixed deposit after the expiry of the period for which it was made, but in case of such refusal interest shall be payable at the former rate until the date of such refusal.

Other borrowings.

17. It shall be competent to the Board of Directors to borrow funds otherwise than by way of deposits either from members, or from persons other than members, or from institutions registered under the Indian Companies Act or under the Co-operative Societies Act provided that the interest payable on the borrowed amount shall not, in any case, exceed $7\frac{1}{2}$ per cent per annum.

Maximum borrowing limit.

18. The total borrowings of the society both by way of deposits or otherwise and whether from members or others shall not at any time exceed times the paid-up share capital *plus* the reserve fund.

Management.

19. Subject to such resolutions as the general body may from time to time pass, the executive management of the affairs of the society shall vest in a Board of Directors. The Board of Directors shall consist of not more than members.

20. The members of the Board of Directors shall be elected by the general body for a period of one year from among the members. Members of the Board of Directors shall continue in office after the expiry of their term of office, until by election another Board is constituted. A retiring member of the Board of Directors shall be eligible for re-election. After the Board of Directors is elected by the general body, they shall elect from among themselves a President, a Secretary and an Assistant Secretary. Interim vacancies on the Board of Directors may be filled up by the remaining members of the Board by co-option for the unexpired portion of the period except in cases contemplated in by-law 24. Any member or members of the Board of Directors may at any time be removed by a resolution of the general body.

21. The Board of Directors shall meet once a fortnight or often if necessary to conduct the affairs of the society. No decision of the Board of Directors shall be valid unless it is assented to by at least members. All questions before the Board of Directors shall be decided by a majority of votes. Should there be an equality of votes, the President or other presiding members shall have a casting vote. No member of the Board of Directors shall be present at a meeting of the Board when any matter in which he is personally interested is being discussed. In case of urgency where there may not be sufficient time to convene a meeting of the Board of Directors and in all cases in which such a procedure may, from time to time, be prescribed by the Board of Directors, the Secretary may obtain the orders of the Board of Directors by circulation of papers among the members present at the headquarters of the society. Such decisions arrived at by circulation shall be placed before the next meeting of the Board of Directors for their $\frac{\text{ratification}}{\text{information}}$. Should a difference of opinion arise in the course of such circulation the matter shall not be decided by circulation but shall be placed before a meeting of the Board of Directors.

22. Should a member of the Board of Directors absent himself from four consecutive meetings of the Board, he shall cease to be a member of the Board of Directors but may be reinstated by the Board of Directors.

23. Subject to such resolutions as the Board of Directors may from time to time pass, the several officers of the society shall have the powers mentioned below:—

(*a*) The President shall have a general control over all the affairs of the society and shall ex-officio be the Treasurer and shall have the custody of all the properties

of the society. He shall also have power to appoint the members of the establishment as well as to fine, suspend or dismiss them subject in the last two cases to the approval of the Board of Directors.

(*b*) The Secretary shall be responsible for the executive administration of the society subject to the control of the President.

(*c*) The $\frac{\text{Secretary}}{\text{President}}$ shall be the officer to sue or be used on behalf of the society and all bonds in favour of the society shall be in the name of the $\frac{\text{Secretary}}{\text{President}}$.

(*d*) The Assistant Secretary shall help the Secretary. Should the Secretary or the Assistant Secretary require relief from work, it shall be competent to the President to grant such relief, making suitable arrangement for the conduct of work by one or more of the members of the Board of Directors.

24. Any member of the Board of Directors who commits default in respect of a loan taken by him from the society shall *ipso facto* be considered disqualified to continue as an office-bearer. But if the default has been for a period of three months or less, the defaulter may be reinstated by the general body on his showing good cause for the default. In no circumstance shall a defaulter continue to hold office as a member of the Board of Directors if his default has continued for more than three months.

25. Receipt shall be issued for all moneys paid to the society. For moneys paid by members the receipt shall be signed by the President or the Secretary or the Assistant Secretary whoever is selected by the Board of Directors to discharge this function. In the case of borrowings from non-members or from other societies, the receipt or bond shall be executed by at least members of the Board of Directors of whom the Secretary or the President shall be one.

26. It shall be the duty of the Board of Directors to maintain such accounts and registers as are prescribed by rule V of the rules under the Act and by the Registrar from time to time. to place before a general body meeting of the members the Registrar's notes of audit or inspection within one month from the date of receipt, to correspond with the Registrar and to do all other business relating to the society.

27. The Board of Directors shall have power to prescribe from time to time the scale of office establishment and to incur such expenditure as may be necessary for the management of the society with reference to the scale and within the budget allotment sanctioned by the general body for each year. It shall be competent to the Secretary to incur petty contingent expenditure subject to a maximum of Re. 1 for any item.

28. The Board of Directors shall be competent to fix the amount and nature of the security, if any, to be given by the office establishment.

29. It shall be competent to the Board of Directors to frame subsidiary by-laws for the conduct of the business of the society consistent with the Act, the rules under the Act and these by-laws. Such subsidiary by-laws shall be entered in the minute book of the society and they shall be reported to the Registrar of Co-operative Societies for approval.

30. The services of the members of the Board of Directors shall be gratuitous except as provided for in by-law 57.

General body.

31. The ultimate authority in all matters relating to the administration of the society shall be the general body of the members who shall meet from time to time and at least once a year to conduct the work of the society. The following among other matters shall be dealt with by the general body:—

(1) The election and removal of the Board of Directors;

(2) the annual report due to the Registrar of Co-operative Societies;

(3) the Registrar's annual audit order;

(4) the amendment or repeal of any existing by-law or the enactment of a new by-law;

(5) the expulsion of a member;

(6) the consideration of any complaint which any individual member may prefer against the Board of Directors;

(7) the returns that may be prescribed by the Local Government; and

(8) the passing of the annual budget.

31A. The general body shall not interfere with the action ct the Board of Directors in respect of matters specifically delegated to it under the by-laws.

32. A meeting of the general body of the members may be convened, whenever necessary for the conduct of the business by the Board of Directors and shall be so convened by the Board of Directors at the request of 15 or more members or at the instance of the Registrar or by a member of the governing body specially deputed by a resolution of the governing body of the union to which the society is affiliated.

33. It shall be the duty of every member to attend the meetings of the general body. The quorum for a general body meeting shall be   or one-fourth of the total number of members on the list at the time, whichever is less.

34. The President, when present, shall preside at the meetings of the general body. In his absence the body may choose a chairman from their number to preside at the meeting. Every member present shall have one and only one vote. All questions shall be decided by a majority of votes of the members present and voting. When votes are equal, the chairman of the meeting shall have a casting vote.

35. day's notice shall ordinarily be given to members before a meeting of the general body is convened.

36. If a member deceives the society in any way, or if his general conduct is such as to render his removal necessary in the interests of the society, it shall be open to the general body to expel such member. An expelled member shall be paid all moneys due to him from the society, after deducting therefrom any money due from him to the society. A member who drives the society to court to recover the money due from him shall, for that reason, be expelled from membership. An expelled members shall be liable, as provided in by-law 3 for the debts due by the society as they stood on the date of his expulsion for a period of two years after such expulsion.

37. The general body shall have authority to affiliate the society to any co-operative union or other supervising body (with suitable jurisdiction) that may be registered by the Registrar or that is working in the neighbourhood of the society. Towards the expenses of such union the society shall contribute such sum as is fixed by the governing body of the union and if any dispute arises as regards the amount the matter may be brought to the notice of the Registrar whose decision shall be final.

Business of the society.

38. It shall be the duty of the Board of Directors to arrange for the purchase for cash or on credit the eggs produced by members on such terms as may appear to them reasonable and for the sale of such eggs to the best advantage. It shall be competent for them to frame subsidiary by-laws to regulate the purchase and sale of eggs. Such subsidiary by-laws may provide for the method of collecting the eggs so as to guarantee freshness by putting the date stamp and the proprietory mark or otherwise.

39. A member shall, if so required by the Board of Directors, sell to the society the whole or any portion of the quantity of eggs produced by him. Any member failing to comply with this request shall be liable to a fine not exceeding for every such offence and if he persists in such conduct, it shall be open to the Board of Directors to suspend him from the privileges of membership till he is expelled from the society or allowed to continue to enjoy the privileges of membership by the general body.

40. If any primary credit society working within the area of operations of the society has, by previous arrangement with the society, given a loan or loans to any member of the society for the purchase of cocks or hens or of food for the same it shall be competent for the Board of Directors to pay to such society either in one lump sum or in instalments the amount due by such member out of the sale proceeds of the eggs supplied by him.

Loans.

41. Loans shall be given only to members, but no member can claim a loan as a matter of right. Applications for loans excepting those mentioned below shall be disposed of by the Board of Directors.

Loans not exceeding Rs. may in emergent cases be sanctioned by the President on the recommendations of the Secretary subject to the ratification of the Board of Directors at its next meeting.

42. All applications for loans shall be made to the Secretary in the form, if any, prescribed for the purpose who shall place them before the Board of Directors.

43. Loans shall be given only for the purchase of fowls and pure-bred cocks.

44. Should the Board of Directors be of opinion that a loan granted by the society has been misapplied, it shall at once take steps to recover the loan with interest without waiting for the expiry of the period for which it has been granted.

45. No member shall at any time be indebted to the society by way of principal to the extent of more than Rs. on account of any loan or loans taken by him. Subject to the above maximum a member shall be eligible for a loan not exceeding Rs. for each share held by him. Members belonging to an undivided family shall not be given in the aggregate a loan in excess of the amount admissible to a single individual member. In the case of wage earners no member shall be given loans in excess of times his salary.

46. Interest on loans granted by the society shall for the present be charged at $1\frac{1}{2}$ pies per rupee per mensem, the first month being reckoned from the date on which the loan is paid to the corresponding date of the next. Every fraction of a month shall be treated as a whole month if it be more than fifteen days and as half a month if it be fifteen days or less.

Interest on all loans shall be paid monthly; but the Board of Directors can permit a borrower to pay interest in half-yearly or yearly instalments in the case of agriculturists and persons who have no monthly income. The monthly interest shall be paid on or before the 15th of the month succeeding that to which it relates. A fine of 2 pies per rupee per mensem will be levied on all overdue instalments of interest.

47. Loans shall be secured in one or other of the following methods:—

(1) on the security of the deposit, if any, to the credit of the borrower, not exceeding 90 per cent of the amount of such deposits;

(2) on the joint and several responsibility of the borrower and one or two other members standing sureties for him provided that the total amount for which a member can stand surety shall not exceed Rs.   for each share held by him.

48. In granting loans, preference shall be given to loans on the security of the deposits, if any, of the borrower with the society. All other loans shall be paid in the order of their sanction.

49. The amount borrowed may be repaid at the convenience of the borrower, in easy instalments, within the period fixed for the loan, interest after each payment being calculated on the balance of the principal due provided that no partial repayment shall be accepted other than in whole rupees and provided also that when a repayment shall have been made on or before the 15th of the month, the abatement of interest shall only take effect from the 16th of that month and when a repayment shall have been made after the 15th of the month the abatement of interest shall take effect only from the 1st of the next month.

50. The period for the repayment of each loan shall be fixed by the President in the cases in which he acts under by-law 41 and by the Board of Directors in all other cases according to the purpose of the loan. The period of repayment shall in no case exceed five years. Loans shall ordinarily be repayable in monthly instalments; but the Board of Directors may permit repayment of a loan in instalments of longer period not exceeding one year where the financial condition of the borrower renders this desirable as, e.g., in the case of agriculturists or those who have no considerable monthly income. Should a borrower be unable to pay a prescribed instalment of principal, the Board of Directors may, for satisfactory reasons and with the general permission of the Registrar, suspend the payment of that instalment by the grant of an extension or a fresh loan for that amount. If a borrower is in arrears for any instalment of principal or interest and the Board of Directors does not deem it necessary to grant an extension or a fresh loan the whole outstanding loan becomes recoverable and the Board of Directors may, and if the default continues for a period of more than three months shall, at once close the account. On overdue instalments of principal, interest at the rate of 2 pies per rupee per mensem shall be levied. All cases of extensions and reloaning shall be reported to the general body and to the Registrar at least once a year.

51. The amount of paid-up share capital, deposit and any other money to the credit of a member or a past member shall be subject to a first charge in favour of the society in respect of any moneys due to the society from such a member or past member. The society shall be at liberty to appropriate the whole or any portion of such paid-up share capital or deposit or any other money to the moneys due by the member to the society.

52. When a member from whom money is due pays any sum it shall be appropriated in the following order:—

Firstly, to fees, fines, postal, registration and other miscellaneous charges due by him;

Secondly, to interest; and

Thirdly, to principal.

53. When a loan is cancelled by the Board of Directors under by-law 44 on account of its misapplication, the loan account shall at once be closed. When an account is closed or closed under by-law 50, the Board of Directors shall inform the borrower of the fact and of the amount outstanding against him including interest up to the date of closing the loan account. On the total amount so found due, the borrower shall be charged interest at 2 pies per rupee per mensem from the date of closing the loan account to the date of recovery and steps shall be taken without delay to recover the amount.

54. When a surety dies or ceases to be a member under by-law 4 or 9 or 36 the principal borrower shall at once inform the society of the fact and either repay immediately the loan, due from him with interest up to the date of payment or execute a fresh bond with one or more fresh sureties acceptable to the Board of Directors. If arrangements are not made to repay the loan within a time to be fixed by the Board of Directors or if a fresh surety or sureties are not produced, or when a member who has borrowed from the society on the mortgage of immovable property borrows elsewhere on the mortgage of the same property or sells the property already mortgaged to the society without the previous sanction of the Board of Directors, his loan account shall at once be closed without reference to the period for which the loan was given and action taken as laid down in by-law 53. In respect of such accounts also interest shall be charged at 2 pies per rupee per mensem from the date of closing the loan account to the date of recovery.

55. If a member becomes ineligible for mebership at any time and his name has on that account to be removed from the list of members under by-law 4 or 9 or should a member be expelled under by-law 36 the loan account, if any, of the member concerned shall at once be closed without reference to the term for which the loan has been granted and action shall be taken to recover from the borrower the amount outstanding

against him including interest up to the date of closing the loan account. Interest shall be charged at 2 pies per rupee per mensem on the amount so found outstanding from the date of closing the loan account to the date of recovery.

Joint purchase of cocks and hens and of food for the same.

56. The Board of Directors may arrange for the purchase and suply to members of cocks and hens and of food for the same but in so doing they shall act only as agents of the members concerned and shall not make the society liable for any loss arising out of the transaction.

Profits.

57. (i) Twenty-five per cent of the net profits of the society as declared by the Registrar every year shall be carried to the credit of the reserve fund.

(ii) Out of the remainder a dividend subject to a maximum of $6\frac{1}{4}$ per cent per annum on the paid-up value of each share may be paid to the members proportionately to the amount of paid-up share capital held by each and also to the period during which the paid-up share capital was so held during the year.

(iii) Out of the remainder—

(*a*) an honorarium not exceeding 25 per cent of the net profits may be paid to the Secretary.

(*b*) the balance shall be available, for distribution among members as bonus in proportion to the value of the eggs supplied by them.

All undisbursable and indivisible profits shall be added to the reserve fund.

Reserve fund.

58. (1) The reserve fund shall belong to the society as a whole and is intended to meet unforseen losses. No member can claim a share in it. It shall not be drawn upon except with the sanction of the Registrar.

(2) On the dissolution of the society the reserve fund and other funds contributed by it under provisions of its by-laws shall be applied:—

(i) to discharging such liabilities of the society as may remain undischarged after the enforcement in full of the liability of the members of the society.

(ii) to the repayment of the share capital paid-up, and

(iii) to the payment of dividend upon such share capital at a rate not exceeding 9 per cent per annum for any period or periods for which no dividend has been paid.

(3) Such portion of these funds as shall remain after payments mentioned in sub-clause (2) shall be applied to such local objects of public utility as may be selected by the general body and approved of by the Registrar. If within three months of the final closing up of the society the general body fails to make any selection that is approved of by the Registrar the latter may use the abovementioned portion of the funds in supporting other co-operative societies in the neighbourhood or shall place the same on interest or otherwise with some co-operative bank until a new co-operative society with a similar area of operations is registered in which event the funds shall be credited to the reserve fund of such society.

59. If, however, at any time the general body resolves to split the society into more than one society by excluding a portion of the existing area of operations from the operations of the society and a new society or societies be registered to cover the area so excluded a portion of the reserve fund shall be transferred to the society or societies as decided upon by the general body which resolves upon the splitting of the original society.

Miscellaneous.

60. No amendment to, alteration in, or cancellation of, a by-law nor the enactment of a new by-law shall be made except at a general meeting of the members or shall take effect until it shall have been approved by the Registrar.

61. Should any doubt arise as to the construction of the Act or any by-law, the Board of Directors shall refer the same to the Registrar of Co-operative Societies for advice and act according to his advice.

62. The society shall prepare annually in such form as may be prescribed by the Registrar (*a*) a statement showing the receipts and disbursements for the year, (*b*) a profit and loss account, (*c*) a balance sheet, and (*d*) such other statements as may be prescribed by the Registrar.

These statements shall be made up to 30th June and a copy of each shall be sent to the Registrar within fifteen days after the close of the co-operative year ending 30th June. After the Registrar has verified the statements and granted his audit certificate the society shall publish such of the prescribed statements as he may direct in the manner prescribed by him.

63. In the case of a dispute touching the business of the society between members or past members of the society, or persons claiming through a member or past member or between a member or past member or persons so claiming and the Board of Directors a reference in writing may be made by any party to the Registrar. Similarly, in the case of a dispute relating to a debt due to the society by a member or past member, or persons claiming through a member or past member, a reference in writing may be made by either party to the Registrar.

The Registrar shall have power, on receipt of such reference, either to decide the dispute himself or refer it to an arbitrator appointed by him or to several arbitrators of whom one shall be appointed by him and one other by each of the parties to the dispute. The decision or award of the Registrar or of the arbitrator or arbitrators, as the case may be, shall be final and it may be enforced in either of these ways:—

(*a*) by an application made to the Collector of the District through the Registrar of Co-operative Societies requesting that the amounts due under the decision or award may be recovered in the same manner as arrears of land revenue;

(*b*) by an application to the Civil Court having jurisdiction over the subject matter of the decision or award requesting that the court may enfroce the decision or award as it were a decree of the Court; and

(*c*) by an application to the Registrar of the District under section 57-A of the Co-operative Societies Act.

64. Should any sum belonging to the society be either stolen or otherwise lost and found irrecoverable, it shall be open to the general body to write off such amounts after obtaining the sanction of the Registrar.

BY-LAWS OF THE CO-OPERATIVE INDUSTRIAL AND CREDIT SOCIETY, LIMITED, No. .

Name, constitution and address.

The Co-operative Industrial and Credit Society, Limited. No. is registered as a Co-operative Society under the Madras Act VI of 1932. Its address shall be village, Post, in the taluk of in the district. Its operations shall be confined to

Objects.

2. The objects of the society are—

(1) to encourage self-help, thrift, and co-operation among members;

(2) to acquire land on lease or otherwise for cultivation of sugarcane by members;

(3) to teach to members improved methods of cultivation of sugarcane and to supply seed material, manure, implements, etc., for growing sugarcane;

(4) to manufacture sugar out of the sugarcane purchased from the members and to sell the sugar so manufactured to the best advantage;

(5) to undertake such other activities as are incidental or conducive to the development of sugar manufacturing industry; and

(6) to give to the members advances to afford facilities to members to bring in their sugarcane to the factory.

Membership.

3. The liability of the members of the society shall be limited to the share capital subscribed by them.

4. The capital of the society shall for the present be Rs. made up of shares of Rs. each. The value of each share shall be paid on allotment wholly or Rs. in cash on allotment and the balance from a loan taken from the society on the deposit of Government securities or on the mortgage of unencumbered immovable property.

5. Any person over eighteen years of age who is competent to contract and who owns or cultivates lands fit for sugarcane cultivation shall be eligible for admission as a member; but no person can claim admission as a matter of right.

6. Applications for admission as members and for allotment of shares shall be made to the President in the form prescribed by the society for the purpose. Every such application shall be

disposed of by the Board of Directors who shall have power to grant admission or to refuse it without assigning any reasons. The applicant shall specify in his application the extent of land which he possesses and which is fit for cultivation of sugarcane and the Board of Directors shall, when granting shares fix the extent of land on which the applicant or his tenant shall grow sugarcane every year.

7. Every member shall pay an entrance fee of annas for each share taken by him at the time of taking the shares.

8. No member shall be permitted to withdraw any of the shares held by him in the society within years after the date when such shares were taken by him. But a member may withdraw shares with the consent of the Board of Directors after such period provided firstly that he has to give at least six months' notice of withdrawal, secondly that the total amount of share capital that is permitted to be withdrawn in any one year does not exceed 10 per cent of the aggregate paid-up share capital of the society as it was on June 30th preceding, thirdly that there are no debts due from him to the society and fourthly that there are no debts due to the society in regard to which he has stood surety. When a member withdraws shares under this by-law, he shall be paid back the share capital actually paid by him with the dividend declared, if any, and the mortgages given by him or the Government securities pledged by him to the society towards share value payable by him shall also be released. The ten per cent limit to which the withdrawal of share capital in any one year is restricted in this by-law shall cover all withdrawals except those made under by-laws 9, 10 and 37.

9. Should a member cease to be eligible for membership, either on account of his ceasing to own or cultivate land with sugarcane in the limits prescribed in by-law 1 or for any other cause, the society shall remove his name from the list of members and shall pay back within a reasonable period to such member the share capital actually paid by him with the dividend declared, if any, after deducting therefrom the money, if any, due from him to the society either as principal debtor or as surety.

10. (1) If a member dies, his membership shall *ipso facto* cease.

(2) (*a*) Every member of the society may nominate any person to succeed, in the event of his death, to his share or interest in the society. Such nomination shall, in the event of his death, be given effect to by the society provided—

(i) the nomination was signed by the deceased in the presence of at least two witnesses attesting the same;

(ii) the nomination has been registered in the books of the society kept for the purpose; and

(iii) the person nominated shall have been admitted by the Board of Directors as a member of the society

under by law 6.

(*b*) In the event of there being no person nominated by the deceased member *who is qualified in accordance with the by-laws for membership of the society, the society shall transfer* the share or interest of the deceased member to *such person as may appear to the committee to be* the heir or legal representative of the deceased or to any person (nominated by such nominee, heir or legal representative) within one month of the death of the deceased member, provided such heir or legal representative or nominee shall have been admitted by the committee as a member of the society under by-law 6.

(*c*) In the event of there being no person *qualified* to succeed under clause (*a*) or (*b*) of this by-law to the share or interest of a deceased member, the society shall pay to the nominee of the deceased or to the heir or legal representative as the case may be, a sum representing the deceased member's share or interest at the time of his death, ascertained in accordance with the by-laws of the society.

(3) Subject as aforesaid, the society may pay all other moneys due to the deceased member from the society, to the person nominated by him in accordance with clause (2) (*a*) of this by-law or to such person as may appear to the committee to be the heir or legal representative of the deceased member, as the case may be.

11. (1) A past member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date when he ceased to be a member, for a period of two years from such date.

(2) The estate of a deceased member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date of his decease, for a period of two years after his decease.

12. No member shall be permitted to transfer his share or shares or create a charge in respect of the same in favour of another member or person except with the previous sanction of the Board of Directors. In all such cases a transfer fee of annas per share shall be paid to the society by the transferee.

13. With the sanction of Board of Directors a member may at any time increase the number of shares held by him.

Deposits.

14. Deposits may, at the discretion of the Board of Directors, be received at any time from members or non-members.

15. Deposits from members shall be given preference to deposits from non-members.

16. There shall be only one class of deposit, that is, fixed.

Fixed deposits.

(i) A fixed deposit is the deposit of a fixed amount of money for a fixed period of time. No fixed deposit shall be received for a sum less than Rs. 5 or an exact multiple thereof, or for a period less than six months.

(ii) Interest shall ordinarily be calculated on fixed deposits at a rate not exceeding 7 per cent per annum. Should a fixed deposit from a member or from a co-operative society be made for a period of not less than one year, the deposit being not less than Rs. 100, interest may be paid thereon at a rate not exceeding $7\frac{1}{2}$ per cent per annum. Interest on fixed deposits shall be paid yearly or at such shorter intervals as may have been agreed upon at the time of deposit.

(iii) The interest on a fixed deposit shall cease on the expiry of the period for which the deposit was made, unless notice in writing of the intention to renew the deposit for a further period of not less than six months has been received in the office of the society before the expiry of the original period. The society is not, however, bound to renew a fixed deposit after the expiry of the period for which it was made, but in case of such refusal interest shall be payable at the former rate until the date of such refusal.

Borrowings.

17. It shall be competent to the Board of Directors to borrow funds from members or non-members or institutions registered under Co-operative Societies Act provided that the interest payable on the borrowed amount shall not in any case exceed   per cent per annum.

18. The total borrowings of the society both by way of deposits or otherwise and whether from members or others shall not at any time exceed   times the paid-up share capital *plus* the reserve fund. Any borrowings beyond the paid-up share capital shall be covered by collateral security of landed property supplied by one or more of the members.

Management.

19. Subject to such resolutions as the general body may from time to time pass, the executive management of the affairs of the society shall vest in a Board of Directors. The Board of Directors shall consist of not more than   members.

20. The members of the Board of Directors shall be elected by the general body for a period of   years from among the members. Members of the Board of Directors shall continue in office after the expiry of their term of office, until by election another Board is constituted. A retiring member of the Board of Directors shall be eligible for re-election. After the Board of Directors is elected by the general body, they shall elect from among themselves a President, and a Vice-President. Interim

vacancies on the Board of Directors may be filled up by the remaining members of the Board by co-operation for the unexpired portion of the period except in cases contemplated in by-law 24. Any member or members of the Board of Directors may at any time be removed by a resolution of the general body.

21. The Board of Directors shall meet whenever necessary to conduct the affairs of the society. No decision of the Board of Directors shall be valid unless it is assented to by at least members. All questions before the Board of Directors shall be decided by a majority of votes and should there be an equality of votes, the President or other presiding member shall have a casting vote. No member of the Board of Directors shall be present at a meeting of the Board when any matter in which he is personally interested is being discussed. In case of urgency where there may not be sufficient time to convene a Board of Directors and in all cases in which such a procedure may, from time to time, be prescribed by the Board of Directors, President may obtain the orders of the Board of Directors, by circulation of papers among the members present at the headquarters of the society. Such decisions arrived at by circulation shall be placed before the next meeting of the Board of Directors for their ratification. Should a difference of opinion arise in the course of such circulation, the matter shall not be decided by circulation but shall be placed before the meeting of the Board of Directors.

22. Should a member of the Board of Directors absent himself from four consecutive meetings of the Board, he shall cease to be a member of the Board of Directors but may be reinstated by the Board of Directors.

23. Subject to such resolutions as the Board of Directors may pass from time to time the several officers of the society shall have the powers mentioned below:—

(*a*) The President shall have a general control over all the affairs of the society and shall ex officio be the Treasurer and shall have the custody of all the properties of the society. He shall also have power to appoint the members of the staff as well as to fine, suspend or dismiss them subject in the last two cases to the approval of the Board of Directors, provided the approval of the Director of Industries be obtained to the appointment of the general manager.

(*b*) The President shall be the officer to sue or be sued on behalf of the society and all the bonds to the society shall be in the name of the President.

24. Any member of the Board of Directors who commits default in respect of a loan taken by him from the society shall *ipso facto* be considered disqualified to continue as an office-bearer. But if the default has been for a period of three months or less,

the defaulter may be reinstated by the general body on his showing good cause for the default. In no circumstances shall a defaulter continue to hold office as a member of the Board of Directors if his default has continued for more than three months.

25. Receipts shall be issued for all moneys paid to the society. In the case of borrowings from non-members or from other societies, the receipt or bond shall be executed by at least members of the Board of Directors of whom the President or the Vice-President shall be one.

26. It shall be the duty of the Board of Directors to maintain such accounts and registers as are prescribed by rule V of the rules under the Act and by the Registrar from time to time, to place before a general body meeting of the members the Registrar's notes of audit or inspection within one month from the date of receipt, to correspond with the Registrar and to do all other business relating to the society.

27. The Board of Directors shall have power to prescribe from time to time the scale of office establishment and to incur such expenditure as may be necessary for the management of the society with reference to the scale and within the budget allotment sanctioned by the general body for each year.

28. The Board of Directors shall be competent to fix the amount and nature of the security, if any, to be given by the office establishment.

29. It shall be competent to the Board of Directors to frame subsidiary by-laws for the conduct of the business of the society consistent with the Act, the rules under the Act and these by-laws. Such subsidiary by-laws shall be entered in the minute book of the society and they shall be reported to the Registrar of Co-operative Societies for approval.

30. The services of the members of the Board of Directors shall be gratuitous.

31. The Manager shall have power to conduct the current business of the society under the control of the President with such powers and duties as the Board of Directors shall see fit to delegate to him.

General body.

32. The ultimate authority in all matters relating to the administration of the society shall be the general body of the members who shall meet from time to time and at least once a year to conduct the work of the society. The following among other matters shall be dealt with by the general body:—

(1) the election and removal of the Board of Directors;

(2) the annual report due to the Registrar of Co-operative Societies;

(3) the Registrar's annual audit certificate;

(4) the amendment or repeal of any existing by-law or the enactment of a new by-law;

(5) the expulsion of a member;

(6) the consideration of any complaint which any individual member may prefer against the Board of Directors;

(7) the returns that may be prescribed by the Local Government; and

(8) the passing of the annual budget.

32A. The general body shall not interfere with the action of the Board of Management in respect of matters specifically delegated to it under the by-laws.

33. A meeting of the general body of the members may be convened whenever necessary, for the conduct of the business by the Board of Directors and shall be so convened by the Board of Directors at the request of fifteen or more members or at the instance of the Registrar.

34. It shall be the duty of every member to attend the meetings of the general body. The quorum for a general body meeting shall be   or one-fourth of the total number of members on the list at the time, whichever is less.

35. The President, when present, shall preside at the meetings of the general body. In his absence the body may choose a chairman from their number to preside at the meeting. Every member present shall have one and only one vote. All questions shall be decided by a majority of votes of the members present and voting. When votes are equal the chairman of the meeting shall have a casting vote.

36. Eight days' notice shall ordinarily be given to members before a meeting of the general body is convened.

37. If a member deceives the society in any way, or if his general conduct is such as to render his removal necessary in the interests of the society, it shall be open to the general body to expel such member. An expelled member shall be paid all moneys due to him from the society, after deducting therefrom any money due from him to the society. A member who drives the society to Court to recover the money due from him shall, for that reason, be expelled from membership. An expelled member shall be liable, as provided in by-law 3 for the debts due by the society as they stood on the date of his expulsion, for a period of two years after such expulsion.

Manufacture of sugar.

38. It shall be competent to the Board of Directors to purchase or hire plants necessary for manufacture of sugar and to acquire land by lease or otherwise and put the required buildings

thereon and incur any other expenditure incidental to the purchase of sugarcane and the manufacturing of sugar and the connected by-products.

39. Every member is bound to grow or cause to be grown sugarcane every year on the extent of land fixed by the Board of Directors when accepting his application and deliver to the society the whole or any portion of the sugarcane produce grown on such extent of land. Any member failing to grow in any year sugarcane on the extent of land fixed shall be liable to a fine at the rate not exceeding Rs. 50 per acre of land which he fails to cultivate with sugarcane, and any member who grows or causes to be grown sugarcane but does not deliver this produce to the society shall be liable to a fine not exceeding Rs. 1–8–0 per each maund of 24 lb. of sugar expected to be produced out of the cane not so delivered. All fines imposed in this manner by the Board of Directors shall be recoverable as if they are debts due to the society under section 51 of the Madras Act VI of 1932. Any aggrieved member may appeal to the general body of members against action taken by the Board of Directors in regard to default and the decision of the general body shall be final.

40. The Board of Directors shall buy outright the sugarcane delivered to it by a member in accordance with by-law No. 39 at a price fixed by them with reference to the prevailing market rate provided that—

(1) as long as the debt of the society borrowed for the construction and equipment of sugar factory remain undischarged the Board of Directors shall not without the previous sanction of the Registrar pay more than Rs.   per ton of sugarcane:

(2) any member aggrieved by the rate of price fixed by the Board of Directors may appeal to the Registrar and his decision shall be final.

It is also competent to the Board of Directors to give back to a member in return a quantity of sugar which the cane supplied by him is calculated to yield after collecting from him the conversion charges in accordance with a scale prescribed by the Board. The decision of the Board of Directors as to the quantity of sugar which a certain specified quantity of sugarcane is calculated to yield is final.

41. If at any time it is found that the sugarcane supplied by members is not sufficient to work the machinery of society to its fullest capacity, the committee of management may buy from outsiders the deficit quantity of sugarcane.

42. When the sugar manufactured is not returned to the members in accordance with by-law No. 40, it shall be competent to the Board of Directors to sell the manufactured sugar and the by-products to the best advantage making all arrangements necessary for it.

Loans.

43. Temporary advances may be given at the rate of $9\frac{3}{8}$ per cent when necessary for a period not exceeding 12 months to afford facilities to members to bring in their sugarcane to the factory to the extent not exceeding 25 per cent of the value of the expected commodities or Rs. 200, whichever is less. Every such advance must be supported by at least one solvent surety. When the return of the advance is not made within 12 months, penal interest shall be charged from the date of default at 2 pies per rupee per mensem on the amount advanced, the maximum period being 15 months. The Board shall however take steps to recover the amount irrespective of the above period at any time if such step is deemed necessary.

44. Loans may also be given to members on the security of Government securities or on the mortgage of unencumbered immovable properties of the members up to 60 per cent of their value in order to enable the members to pay the balance of the share capital due from them. No interest shall be charged by the society on such loans.

Profits.

45. The net profits of the society shall be declared by the Registrar every year and until the debt to the Central Bank is repaid, shall be ascertained after providing for a special bonus at 4 per cent per annum to those members who have given collateral security under by-law No. 18.

(1) Twenty-five per cent shall be carried to the credit of the reserve fund;

(2) out of the remainder, a dividend subject to a maximum of 8 per cent per annum on the paid-up value of each share may be paid to members proportionately to the amount of paid-up share capital which was so held during the year. Dividend shall not be paid on share capital not paid in cash but covered by mortgages or Government securities given by the members towards the value of shares;

(3) a bonus at a rate to be fixed by the general body on the recommendation of the Directors may be divided among the members in proportion to the sugarcane supplied by members; and

(4) any profits not allotted in the manner aforesaid in any year shall be forthwith added to bad debt and depreciation reserve.

All undisbursable and indivisible profits shall be added to reserve fund.

Reserve fund.

46. (1) The reserve fund shall belong to the society as a whole and is intended to meet unforeseen losses. No member can claim a share in it. It shall be invested in such manner as the Registrar of Co-operative Societies prescribes and shall not be drawn upon except with his sanction.

(2) On the dissolution of the society the reserve fund and other funds contributed by it under provisions of its by-laws shall be applied—

(i) to discharging such liabilities of the society as may remain undischarged after the endorsement in full of the liability of the members of the society:

(ii) to the repayment of the share capital paid-up; and

(iii) to the payment of dividend upon such share capital at a rate not exceeding 9 per cent per annum for any period or periods for which no dividend has been paid.

(3) Such portion of these funds as shall remain after payments mentioned in sub-clause (2) shall be applied to such local objects of public utility as may be selected by the general body and approved of by the Registrar. If within three months of the final closing up of the society the general body fails to make any selection that is approved of by the Registrar the latter may use the abovementioned portion of the funds in supporting other co-operative societies in the neighbourhood or shall place the same on interest or otherwise with some co-operative bank until a new co-operative society with a similar area of operations is registered in which event the funds shall be credited to the reserve fund of such society.

47. If, however, at any time, the general body resolves to split the society into more than one society by excluding a portion of the existing area of operations from the operations of the society and a new society or societies be registered to cover the area so excluded, a portion of the reserve fund shall be transferred to the society or societies, as decided upon by the general body which resolves upon the splitting of the original society.

48. No amendment to, alteration in, or cancellation of, a by-law nor the enactment of a new by-law shall be made except at a general meeting of the members or shall take effect until it shall have been approved by the Registrar.

Miscellaneous.

49. Should any doubt arise as to the construction of the Act or any by-law, the Board of Directors shall refer the same to the Registrar of Co-operative Societies for advice and act according to his advice.

50. The society shall prepare annually in such form as may be prescribed by the Registrar (*a*) a statement showing the receipts

and disbursements for the year, (*b*) a profit and loss account, (*c*) a balance sheet and (*d*) such other statements as may be prescribed by the Registrar.

These statements shall be made up to 30th June and a copy of each shall be sent to the Registrar within fifteen days after the close of the co-operative year ending 30th June. After the Registrar has verified the statements and granted his audit certificate, the society shall publish such of the prescribed statements as he may direct in the manner prescribed by him.

51. In the case of a dispute touching the business of the society between members or past members of the society, or persons claiming through a member or past member or between a member or past member, or persons so claiming and the Board of Directors, a reference in writing may be made by any party to the Registrar. Similarly, in the case of a dispute relating to a debt due to the society by a member or past member or persons claiming through a member or past member, a reference in writing may be made by either party to the Registrar. The Registrar shall have power, on receipt of such reference, either to decide the dispute himself or refer it to an arbitrator appointed by him or to several arbitrators of whom one shall be appointed by him and one other by each of the parties to the dispute. The decision or award of the Registrar or of the arbitrator or arbitrators as the case may be shall be final and it may be enforced in either of these ways—

(*a*) by an application made to the Collector of the district through the Registrar of Co-operative Societies requesting that the amount due under the decision or award may be recovered in the same manner as arrears of land revenue;

(*b*) by an application to the Civil Court having jurisdiction over the subject matter of the decision or award requesting that the Court may enforce the decision of award as if it were a decree of the Court; and

(*c*) by an application to the Registrar of the district under section 57-A of the Madras Co-operative Societies Act.

52. Should any sum belonging to the society be either stolen or otherwise lost and found irrecoverable, it shall be open to the general body to write off such amounts after obtaining the sanction of the Registrar.

BY-LAWS OF THE CO-OPERATIVE BETTER LIVING SOCIETY, LIMITED, No. .

Name, constitution and address.

The Co-operative Better Living Society, Limited, No. is registered as a Co-operative Society under Act VI of 1932 (Madras). Its address shall be village, in the taluk of in the district. Its operations shall be confined to .

Objects.

2. Its objects are to promote the economic interests of its members and more particularly—

(1) to reform bad customs prevalent amongst the members;

(2) to prevent the waste of money and inculcate habits of thrift;

(3) to improve the moral and spiritual condition of members;

(4) to provide educational assistance to the children of members; and

(5) to promote other measures designed to encourage in the members the spirit and practice of thrift, mutual help, and self-help.

Membership.

3. Any person over eighteen years of age, who is competent to contract and who belongs to community residing within the limits referred to in the third sentence of by-law 1 shall be eligible for admission as a member; but no person can claim admission as a matter of right.

4. Applications for admission as members shall be made to the Secretary in the form, if any, prescribed by the society for the purpose. Every such application shall be disposed of by the Board of Directors who shall have power to grant admission or to refuse it without assigning reasons.

5. (*a*) Every member shall sign an agreement to the effect that in consequence of being a member of the Co-operative Better Living Society, he will observe such reformed customs as the general meeting may approve, and will not spend more on any ceremony than the amount fixed by the general meeting; and in the event of his breach of this undertaking he will pay to the society such fine not exceeding Rs. 100 as the committee may impose.

He shall thereupon share in the rights and liabilities of the society.

(*b*) Membership shall be terminated by:—

(1) death;

(2) permanently ceasing to reside in ;

(3) withdrawal after three months' notice to the secretary;

(4) permanent insanity; or

(5) expulsion by a two-third's majority of a meeting at which not less than half the members are present and vote.

6. The liability of each member for the debts of the society shall be limited to Rs. 20.

Funds.

7. The capital shall be composed of:—

(1) entrance fees;

(2) contributions;

(3) donations; and

(4) fines.

The society shall receive no loans or deposits.

8. The committee may impose a fine not exceeding Rs. 100 on any member who fails to observe the customs adopted or the limits of ceremonial expenditure prescribed by the general meeting. Such fine shall become due for payment immediately after imposition, but the member may appeal to the general meeting.

9. The committee may levy contributions from a member on the occasion of ceremonies taking place in his family or household, according to a scale to be prescribed by a general meeting. Such contributions shall become immediately due for payment on the occurrence of the ceremony, without a formal demand.

Management.

10. Subject to such resolutions as the general body may from time to time pass, the executive management of the affairs of the society shall vest in a Board of Directors. The Board of Directors shall consist of not more than members.

11. The members of the Board of Directors shall be elected by the general body for a period of one year from among the members. Members of the Board of Directors shall continue in office after the expiry of their term of office, until by election another Board is constituted. A retiring member of the Board of Directors shall be eligible for re-election. After the Board of Directors is elected by the general body, they shall elect from among themselves a President, a Secretary and an Assistant Secretary. Interim

vacancies on the Board of Directors may be filled up by the remaining members of the Board by co-option for the unexpired portion of the period. Any member or members of the Board of Directors may at any time be removed by a resolution of the general body.

12. The Board of Directors shall meet once a fortnight or oftener if necessary to conduct the affairs of the society. No decision of the Board of Directors shall be valid unless it is assented to by at least   members. All questions before the Board of Directors shall be decided by a majority of votes. And should there be an equality of votes, the president or other presiding member shall have a casting vote. No member of the Board of Directors shall be present at a meeting of the Board when any matter in which he is personally interested is being discussed. In case of urgency where there may not be sufficient time to convene a meeting of the Board of Directors and in all cases in which such a procedure may, from time to time, be prescribed by the Board of Directors, the Secretary may obtain the orders of the Board of Directors by circulation of papers among the members present at the headquarters of the society. Such decisions arrived at by circulation shall be placed before the next meeting of the Board of Directors for their ratification/information. Should a difference of opinion arise in the course of such circulation, the matter shall not be decided by circulation but shall be placed before a meeting of the Board of Directors.

13. Should a member of the Board of Directors absent himself from four consecutive meetings of the Board, he shall cease to be a member of the Board of Directors but may be reinstated by the Board of Directors.

14. Subject to such resolutions as the Board of Directors may from time to time pass the several officers of the society shall have the powers mentioned below:—

(*a*) the President shall have a general control over all the affairs of the society and shall ex-officio be the Treasurer and shall have the custody of all the properties of the society. He shall also have power to appoint the members of the establishment as well as to fine, suspend or dismiss them subject in the last two cases to the approval of the Board of Directors;

(*b*) The Secretary shall be responsible for the executive administration of the society subject to the control of the President;

(*c*) the Secretary/President shall be the officer to sue or be sued on behalf of the society and all bonds in favour of the society shall be in the name of the Secretary/President;

(*d*) the Assistant Secretary shall help the Secretary. Should the Secretary or the Assistant Secretary require relief from

work, it shall be competent to the President to grant such relief, making suitable arrangements for the conduct of work by one or more of the members of the Board of Directors.

15. Receipts shall be issued for all moneys paid to the society. For moneys paid by members the receipt shall be signed by the President or the Secretary or the Assistant Secretary whoever is selected by the Board of Directors to discharge this function.

16. It shall be the duty of the Board of Directors (1) to maintain such accounts and registers as are prescribed by rule V of the rules under the Act and by the Registrar from time to time; (2) to place before a general body meeting of the members the Registrar's notes of audit or inspection within one month from the date of receipt; (3) to correspond with the Registrar; (4) to levy contributions from members, as prescribed in by-law 9; (5) to fine members as prescribed in by-law 8 who fail to abide by the customs adopted in general meeting, or who spend on any ceremony a sum larger than that sanctioned; (6) to consider and propose to the general meeting any improved custom or any reduction of expenditure which they consider beneficial and in accordance with the objects of the society; (7) to assist in arrangements for the eduction of the members' children; (8) to assist in the inspection of the books by any person authorized to see them; (9) to appoint, suspend or dismiss employees; (10) through any member or officer or employees of the society or any other persons specially authorized to institute, conduct, defend, compromise, refer to arbitration or abandon legal proceedings by or against the society or committee or the officers or employees concerning the affairs of the society; and to do all other business relating to the society.

17. The Board of Directors shall have powers to prescribe from time to time the scale of office establishment and to incur such expenditure as may be necessary for the management of the society with reference to the scale and within the budget allotment sanctioned by the general body for each year. It shall be competent to the Secretary to incur petty contingent expenditure subject to maximum of Re. 1 for any item.

18. The Board of Directors shall be competent to fix the amount and nature of the security, if any, to be given by the office establishment.

19. It shall be competent to the Board of Directors to frame subsidiary by-laws for the conduct of the business of the society consistent with the Act, the rules under the Act and these by-laws. Such subsidiary by-laws shall be entered in the minute book of the society and they shall be reported to the Registrar of Co-operative Societies for approval.

20. The services of the members of the Board of Directors shall be gratuitous.

General body.

21. The ultimate authority in all matters relating to the administration of the society shall be the general body of the members who shall meet from time to time and at least once a year to conduct the work of the society. The following among other matters shall be dealt with by the general body:—

(1) the election and removal of the Board of Directors;

(2) the annual report due to the Registrar of Co-operative Societies;

(3) the Registrar's annual audit certificate;

(4) the amendment or repeal of any existing by-law or the enactment of a new by-law;

(5) the expulsion of a member;

(6) the consideration of any complaint which any individual member may prefer against the Board of Directors;

(7) the returns that may be prescribed by the Local Government;

(8) the adoption of customs to be observed and the fixing of the maximum expenditure to be incurred on each ceremonial occasion;

(9) the assessment of contributions to be paid to the funds of the society by a member on the occasion of ceremonies occurring in his family or household, such as marriage, birth, etc.; and

(10) the passing of the annual budget.

21A. The general body shall not interfere with the action of the Board of Directors in respect of matters specifically delegated to it under the by-laws.

22. A meeting of the general body of the members may be convened whenever necessary, for the conduct of the business by the Board of Directors and shall be so convened by the Board of Directors at the request of 15 or more members or at the instance of the Registrar or by a member of the governing body specially deputed by a resolution of the governing body of the union to which the society is affiliated.

23. It shall be the duty of every member to attend the meetings of the general body. The quorum for a general body meeting shall be   or one-fourth of the total number of members on the list at the time whichever is less.

24. The President, when present, shall preside at the meetings of the general body. In his absence the body may choose a chairman from their number to preside at the meeting. Every member present shall have one and only one vote. All questions shall be decided by a majority of votes of the members present and voting. When votes are equal, the chairman of the meeting shall have a casting vote.

25. days' notice shall ordinarily be given to members before a meeting of the general body is convened.

26. If a member deceives the society in any way, or if his general conduct is such as to render his removal necessary in the interests of the society, it shall be open to the general body to expel such member. A member who drives the society to Court to recover the money due from him shall, for that reason, be expelled from membership. An expelled member shall be liable, as provided in by-law 6 for the debts due by the society as they stood on the date of his expulsion, for a period of two years after such expulsion.

27. The general body shall have authority to affiliate the society to any co-operative union (with suitable jurisdiction) that may be registered by the Registrar or that is working in the neighbourhood of the society. Towards the expenses of such union the society shall contribute such sum as is fixed by the governing body of the union.

28. No amendment to, alteration in, or cancellation of, a by-law nor the enactment of a new by-law shall be made except at a general meeting of the members or shall take effect until it shall have been approved by the Registrar.

29. The entire net profits of the society as declared by the Registrar year after year shall be carried to a reserve fund which is indivisible.

Reserve fund.

30. (1) The reserve fund shall belong to the society as a whole and is intended to meet unforeseen losses. No member can claim a share in it. It shall be invested in such manner as the Registrar of Co-operative Societies prescribes and shall not be drawn upon except with his sanction.

(2) On the dissolution of the society, the reserve fund shall be applied to such local objects of public utility as may be selected by the general body and approved by the Registrar.

Miscellaneous.

31. Should any doubt arise as to the construction of the Act or any by-law, the Board of Directors shall refer the same to the Registrar of Co-operative Societies for advice and act according to his advice.

32. The society shall prepare annually in such form as may be prescribed by the Registrar (*a*) a statement showing the receipts and disbursements for the year, (*b*) a statement of assets and liabilities and (*c*) such other statements as may be prescribed by the Registrar.

These statements shall be made up to 30th June and a copy of each shall be sent to the Registrar within fifteen days after the close of the co-operative year ending 30th June. After the Registrar has verified the statements and granted his audit certificate,

the society shall publish such of the prescribed statements as he may direct in the manner prescribed by him.

33. In the case of a dispute touching the business of the society between members or past members of the society, or persons claiming through a member or past member or between a member or past member, or persons so claiming and the Board of Directors, a reference in writing shall be made by any party to the Registrar. Similarly, in the case of a dispute relating to a debt due to the society by a member or past member or persons claiming through a member or past member, a reference in writing shall be made by either party to the Registrar. The Registrar shall have power, on receipt of such reference, either to decide the dispute himself or refer it to an arbitrator appointed by him or to several arbitrators of whom one shall be appointed by him and one other by each of the parties to the dispute. The decision or award of the Registrar or of the arbitrator or arbitrators as the case may be shall be final and it may be enforced in either of these ways—

(*a*) by an application made to the Collector of the district through the Registrar of Co-operative Societies requesting that the amount due under the decision or award may be recovered in the same manner as arrears of land revenue;

(*b*) by an application to the Civil Court having jurisdiction over the subject-matter of the decision or award requesting that the Court may enforce the decision or award as if it were a decree of the Court;

(*c*) by an application to the Registrar of the district in which the cause of action arose that the decision or award may be enforced as provided in rule XXII of the rules framed under Act VI of 1932 (Madras).

34. Should any sum belonging to the society be either stolen or otherwise lost and found irrecoverable, it shall be open to the general body to write off such amounts after obtaining the sanction of the union to which the society is affiliated or the Registrar in case the society is not affiliated to any union.

BY-LAWS OF THE FISHERMEN CO-OPERATIVE SOCIETY, LIMITED, No. .

The name of the society shall be the Fishermen Co-operative Society, Limited, No. . Its address shall be village, post, in the taluk of the district. Its operations shall be confined to .

2. The objects of the society shall be to acquire and hold water-courses such as rivers and tanks either by purchase or lease or otherwise from Government for catching fish by members either jointly or individaully. It may also borrow funds from members or others to be utilized for loans to members, the chief purpose of such loans being to enable them to pay Government kist due by the society. But the society may grant loans to members for other useful purposes also:—

It may also do the following:—

(1) Act as agent for the joint purchase of the piscicultural, domestic and other requirements of its members and for the joint sale of their products;

(2) purchase and own implements or machinery for hire to its members;

(3) Disseminate a knowledge of the latest improvements in pisciculture and encourage its members to adopt them; and

(4) Generally encourage thrift, self-help and co-operation among its members.

3. The capital of the society shall be Rs. consisting of shares of Rs. each. Every member who takes up a share shall pay the value of the share either in full at the time of taking the share or in monthly instalments of Rs. each. The first instalment shall be paid on allotment of the share The subsequent instalments shall be payable in consecutive months commencing from the month succeeding that in which the share was allotted. But no instalment of share capital need be paid in any months of the year to be decided by the panchayat. The instalments due for each month shall be paid before the 15th of that month and a fine of two pies per rupee per mensem shall be levied on all overdue instalments of share capital.

4. A member who having agreed to pay his share money in instalments under by-law 3 fails to pay consecutive monthly instalments within the time fixed for such payments shall be suspended from enjoying the privileges of membership till he is eligible to withdraw from the society under by-law 11. When he shall withdraw all the share capital actually paid by him till then will be refunded to him.

5. Any person who carries on fishing as his profession or otherwise connected with fishing industry and is over 18 years of age and of sound mind residing within the limits prescribed in by-law 1, shall be eligible to become a member at any time provided, however, firstly, that no person can claim admission as a matter of right and secondly that no member shall at any time hold more than shares.

6. An entrance fee of annas per share shall be levied from every member.

7. Subject to by-law 15 no member shall be permitted to transfer his share or create a charge in respect of the same in favour of another member or person except with the previous sanction of the panchayat.

8. Every member shall on admission be supplied with a copy of the by-laws at a cost of one anna.

9. The liability of the members of the society shall be limited to the share capital subscribed by them.

10. Every application for admission to membership and for allotment of shares shall be placed before the panchayat who shall have power to grant it or reject it without assigning reasons.

11. No member shall be permitted to withdraw from membership in the society within three years after his admission; but a member may withdraw after such period provided that there are no debts due from him to the society and provided also that there are no debts due to the society in regard to which he has stood surety. When a member withdraws under this by-law the society shall pay him back the share capital actually paid by him with the dividend declared if any.

12. Should a member become ineligible for continuance as a member either on account of the removal of his residence from the limits prescribed in by-law 1, or for any other cause, the society shall remove his name from the list of members and pay back to such member the share capital actually paid by him with the dividend declared if any, after deducting therefrom the money, if any, due from him to the society, either as principal debtor or as surety, provided that in no case the share capital paid up shall be returned to a member before the expiry of two years from the date of his admission.

13. (1) If a member dies his membership shall *ipso facto* cease.

(2) (*a*) Every member of the society may nominate any person to succeed, in the event of his death, to his share or interest in the society. Such nomination shall, in the event of his death, be given effect to by the society provided that—

(i) the nomination was signed by the deceased in the presence of at least two witnesses attesting the same;

(ii) the nomination has been registered in the books of the society kept for the purpose; and

(iii) the person nominated is or has been admitted by the panchayat as a member of the society under by-law 10.

(*b*) In the event of there being no person nominated by the deceased member *who is qualified in accordance with the by-laws for membership of the society, the society shall transfer* the share or interest of the deceased member to *such person as may appear to the committee to be* the heir or legal representative of the deceased or to any person nominated by such nominee, heir or legal representative within one month of the death of the deceased member, provided such heir or legal representative or nominee shall have been admitted by the committee as a member of the society under by-law 6.

(*c*) In the event of there being no person *qualified* to succeed under clause (*a*) or (*b*) of this by-law to the share or interest of a deceased member, the society shall pay to the nominee of the deceased or to the heir or legal representative as the case may be, a sum representing the deceased members' share or interest at the time of his death, ascertained in accordance with the by-laws of the society.

(3) Subject as aforesaid, the society may pay all other moneys due to the deceased member from the society, to the person nominated by him in accordance with clause (2) (*a*) of this by-law or to such person as may appear to the committee to be the heir or legal representative of the deceased member, as the case may be.

14. When a member ceases to be such, or when he has transferred any of his shares, his liability to the extent laid down in by-law 9 for the debts due by the society as they existed on the date when he ceased to be a member or when he transferred any of his shares, as the case may be, shall continue for a period of two years from such date. The estate of a deceased member shall continue liable for the debts of the society to the extent mentioned in by-law 9 for a period of two years from the date of his decease.

15. A member may at any time increase the number of shares held by him subject to the limit of   shares laid down in by-law 5. But no member shall be permitted to reduce, sell or transfer the number of shares held by him within three years after his admission.

16. Deposits may, at the discretion of the panchayat, be received at any time from members or non-members.

17. Deposits from members shall be given preference to deposits from non-members.

18. There shall be two classes of deposits:-

(*a*) fixed deposits; and

(*b*) recurring deposits.

A.—Fixed deposits.

(i) A fixed deposit is the deposit of a fixed amount of money for a fixed period of time. No fixed deposit shall be received for a sum less than Rs. 5 or an exact multiple thereof, or for a period less than six months.

(ii) Interest shall ordinarily be calculated on fixed deposits at a rate not exceeding $6\frac{1}{4}$ per cent per annum. Should a fixed deposit from a member or from a co-operative society be made for a period of not less than one year, the deposit being not less than Rs. 100, interest may be paid thereon at a rate not exceeding $7\frac{1}{2}$ per cent per annum. Interest on fixed deposits shall be paid yearly or at such shorter intervals as may have been agreed upon at the time of deposit.

(iii) The interest on a fixed deposit shall cease on the expiry of the period for which the deposit was made, unless notice in writing of the intention to renew the deposit for a further period of not less than six months has been received in the office of the society before the expiry of the original period. The society is not, however, bound to renew a fixed deposit after the expiry of the period for which it was made, but in case of such refusal interest shall be payable at the former rate until the date of such refusal.

B.—Recurring deposit

A recurring deposit is a deposit made by a person who undertakes to pay to the society every month a fixed amount of one rupee or a multiple or a sub-multiple thereof for a period of 12, 24, 45, 84 or 132 months. A depositor paying one rupee per mensem for a period of 12, 24, 45, 84 or 132 months shall, before the close of the 14th, 26th, 47th, 86th and 134th month, receive a sum of Rs. 12–6–3, Rs. 25–8–0, Rs. 50, Rs. 102–8–0 or Rs. 180–8–0, respectively, as the case may be out of which the sum of Rs. 12, 45, 84 or 132 shall be debited in the accounts as repayment of principal and the balance as interest thereon. Every recurring depositor shall pay his monthly deposit before the end of the calendar month, to which it relates, failing which he shall be charged a fine of two pies per rupee per month or fraction thereof on every rupee overdue. Should a recurring depositor be in arrears to the extent of a sum equivalent to or more than four monthly instalments, his deposit account shall at once be closed. It shall however be competent to the Board of Directors if they think fit to reopen the account provided the prescribed fine due up to date is paid or to pay back the amount actually paid by the depositor together with interest on the amount of deposits actually made calculated at a rate not exceeding 2/3 of the original rate provided the deposit amount was held by the society for a period of at least one year. It shall be open to the society to credit the whole or part of the amount due to him towards any money due from the depositor to the society. It shall be competent to a recurring depositor with the

consent of the panchayat, to alter the nature of his recurring deposit to any of the categories of such deposits prescribed in this by-law.

Other borrowings.

19. It shall be competent to the panchayat to borrow funds otherwise than by way of deposits either from members or from persons other than members, or from other co-operative societies, provided, however, that the aggregate indebtedness of the society whether to members or to non-members shall not exceed Rs. and provided also that the interest payable on the borrowed amount shall not in any case exceed $7\frac{1}{2}$ per cent per annum and provided also that the panchayat shall not receive any such loan unless it shall have been sanctioned by the governing body of the union to which the society is affiliated. Interest on loans obtained from the Madras Christian Central Co-operative Bank may, however, be paid at a rate not exceeding $8\frac{1}{2}$ per cent per annum.

Management.

20. Subject to such resolutions as the general body may from time to time pass the management of the affairs of the society shall vest in a panchayat consisting of a President and a Secretary and not more than other members. The members of the panchayat shall be elected by a general assembly for a period of one year from among members. After a panchayat is elected by the general assembly the members of the panchayat shall elect the office holders from among themselves.

21. The panchayat shall meet once a fortnight or oftener, if necessary, to conduct the affairs of the society. No decision of the panchayat shall be valid unless signed by at least four panchayat members. All questions before the panchayat shall be decided by a majority of votes. Should there be an equality of votes the President or other presiding member shall have a casting vote. All questions shall be decided in conformity with Act VI of 1932 (Madras) and these by-laws. Should any doubt arise as to the construction of the Act or any by-law or any other matter, the panchayat shall refer the same to the Registrar of Co-operative Societies for advice and act according to his advice.

22. Subject to such resolutions as the panchayat may, from time to time, pass the several officers of the society shall have the powers mentioned below:—

(*a*) The President shall have a general control over all the affairs of the society; and

(*b*) the secretary shall be responsible for the executive administration of the society and shall be subordinate to the president. He shall have the custody of the properties of the society. He shall have power to appoint the members of the establishment as well as to fine, suspend or dismiss

them subject, in the last two cases, to the approval of the President. The Secretary shall be the officer to sue, or be sued, on behalf of the society and all bonds in favour of the society shall be in the name of the Secretary.

23. Should a member of the panchayat absent himself from four consecutive meetings of the panchayat he shall cease to be a member of the panchayat, but may be re-elected.

24. Receipts shall be issued for all payments by members into the society and shall be signed by the President or the Secretary. In the case of borrowings from non-members the receipts or documents shall be signed by the President, the secretary and one other panchayatdar.

25. The society shall prepare annually in such form as may be prescribed by the Registrar (*a*) a statement showing the receipts and disbursements for the year, (*b*) a profit and loss account, (*c*) a balance-sheet, and (*d*) such other statements as may be prescribed by the Registrar.

These statements shall be made up to 30th June and a copy of each shall be sent to the Registrar within fifteen days after the close of the co-operative year ending 30th June. After the Registrar has verified the statements and granted his audit certificate, the society shall publish such of the prescribed statements as he may direct, in the manner prescribed by him.

The general body.

26. The ultimate authority in all matters relating to the administration of the society shall be the general body of the members who shall meet from time to time and at least once a year to conduct the work of the society. The following among other matters shall be dealt with by the general body:—

(1) the election and removal of the Board of Directors;
(2) the annual report due to the Registrar of Co-operative Societies;
(3) the Registrar's annual audit certificate;
(4) the amendment or repeal of any existing by-law or the enactment of a new by-law;
(5) the expulsion of a member;
(6) the consideration of any complaint which any individual member may prefer against the Board of Directors;
(7) the returns that may be prescribed by the Local Government; and
(8) the passing of the annual budget.

26A. The general body shall not interfere with the panchayat in respect of matters specifically delegated to it under the by-laws.

27. A meeting of the general body of the members may be convened whenever necessary, for the conduct of the business by the Board of Directors and shall be so convened by the Board of Directors at the request of 15 or more members or at the

instance of the Registrar or by a member of the governing body specially deputed by a resolution of the governing body of the union to which the society is affiliated.

28. It shall be the duty of every member to attend the meetings of the general body. The quorum for a general body meeting shall be   or one-fourth of the total number of members on the list at the time whichever is less.

29. The President, when present, shall preside at the meetings of the general body. In his absence the body may choose a chairman from their number to preside at the meeting. Every member present shall have one and only one vote. All questions shall be decided by a majority of votes of the members present and voting. When votes are equal, the chairman of the meeting shall have a casting vote.

30.   days' notice shall ordinarily be given to members before a meeting of the general body is convened.

31. If a member deceives the society in any way, or if his general conduct is such as to render his removal necessary in the interests of the society, it shall be open to the general body to expel such member. An expelled member shall be paid all moneys due to him from the society, after deducting therefrom any money due from him to the society. A member who drives the society to court to recover the money due from him shall, for that reason, be expelled from membership. An expelled member shall be liable, as provided in by-law 3 for the debts due by the society as they stood on the date of his expulsion, for a period of two years after such expulsion.

Loans.

32. It shall be competent to the panchayat to grant loans to members but no member can claim a loan as a matter of right, nor can a loan be given to any person who is not a member. It shall also be competent to the panchayat to recover a loan granted from the society with interest without waiting for the expiry of the period for which the loan was granted in case it is of opinion that the loan has been misapplied.

33. No member can receive a loan exceeding Rs.   . Subject to this maximum a member shall be eligible for a loan not exceeding Rs.   for every share held by him.

34. Loans shall only be granted for the following purposes:—

(1)

(2)

(3)

(4)

(5)

(6)

35. Loans shall be granted only in one of the following ways:—

(1) On the security of the deposit, if any, to the credit of the borrower not exceeding 90 per cent of the amount to such credit;

(2) on the joint and several responsibility of the borrower and one or two other members standing surety or sureties for him;

(3) on the mortgage of unencumbered immovable property wholly belonging to the borrower, not exceeding 50 per cent of the estimated market value of such property. When a mortgage deed is executed by a member, the panchayat shall insist on all persons interested in the party joining in the execution whether such persons are themselves members or not. When the co-executants are not members they shall sign the bond as sureties; and

(4) on the security of the paid-up share capital not exceeding 75 per cent of the amount to such credit.

36. A member may stand surety for other members to the extent of Rs. for every share held by him subject to a maximum extent of Rs. on all the shares held by him.

37. Interest on all loans shall, for the present, be charged at the rate of per cent per annum and shall be collected monthly. A fraction of a pie shall be treated as one pie. In calculating the interest, every fraction of a month shall be treated as a full month.

38. The amount borrowed may be repaid, at the convenience of the borrower, in easy instalments, within the period fixed for the loan, interest after each payment being calculated on the balance of the principal due, provided that no partial repayment shall be accepted other than in whole rupees and provided also that, when a repayment is made during the course of a month, the abatement of interest on account of such repayment shall begin only from the first day of the next month.

39. The period for the repayment of each loan shall be fixed by the panchayat according to the purpose of the loan at the time of sanctioning the loan. Loans for current expenses shall be repaid within a year. Loans given for the liquidation of prior debts, for purchasing nets, boats, etc., may be allowed to be repaid in from one or two years. All loans shall be repayable within the period fixed in equal monthly instalments, each instalment being payable before the end of the month to which it relates, and the panchayat being permitted to suspend the payment of instalments during any months as described in by-law 3. No extension shall be granted for repayment of instalments of principal or interest.

40. The amount of paid-up share capital, deposit and any other money to the credit of a member or a past member shall be subject to a first charge in favour of the society in respect of any moneys due to the society from such member or past member. The society shall be at liberty to appropriate the whole or any portion of such paid-up share capital or deposit or any other money to the moneys due by the member to the society.

41. When a member, from whom money is due, pays any sum, it shall be appropriated in the following order:—

Firstly: to fees, fines, postal, registration and other miscellaneous charges due by him;

Secondly: to interest due by him; and

Thirdly: to principal.

42. When a loan is cancelled by the panchayat under by-law 38 on account of its misapplication or when the period for the repayment of an instalment of a loan fixed under by-law 45 has passed without any payment being made, the loan account shall at once be closed. The panchayat shall then inform the borrower of the fact and of the amount outstanding against him including interest up to date of closing the loan account. On the total amount so found due, the borrower shall be charged interest at pies per rupee per mensem from the date of closing the loan account to the date of recovery and steps shall be taken without delay to recover the amount.

Profits and reserve fund.

43. (1) Twenty-five per cent of the net profits of the society as declared by the Registrar every year shall be carried to the credit of the Reserve fund.

(2) The remainder subject to a maximum of 9 per cent on the paid-up value of each share will be kept in the society as a deposit in the name of each member. Interest at one pie per rupee per mensem will be paid on the deposit after the annual audit is over. If a member becomes ineligible for membership or if he dies or quits the society, the deposit standing in his name will be refunded with interest, if any.

(3) A sum not exceeding $7\frac{1}{2}$ per cent on the net profits may be set apart as a common good fund for carrying out any of the objects specified in section 2 of the Charitable Endowments Act VI of 1890, viz.:—

(i)

(ii)

(iii)

(4) Ten per cent of the net profits may be paid to the Secretary as honorarium.

(5) The balance, if any, shall be added to the reserve.

Reserve fund.

44. (1) The reserve fund shall belong to the society as a whole and is intended to meet unforeseen losses. No member can claim a share in it. It shall be invested in such manner as the Registrar of Co-operative Societies prescribes and shall not be drawn upon except with his sanction.

(2) On the dissolution of the society the reserve fund and other funds contributed by it under provisions of its by-laws shall be applied

(i) to discharging such liabilities of the society as may remain undischarged after the enforcement in full of the liability of the members of the society,

(ii) to the repayment of the share capital paid up, and

(iii) to the payment of dividend upon such share capital at a rate not exceeding 9 per cent per annum for any period or periods for which no dividend has been paid.

(3) Such portion of these funds as shall remain after payments mentioned in sub-clause (2) shall be applied to such local objects of public utility as may be selected by the general body and approved of by the Registrar. If within three months of the final closing up of the society the general body fails to make any selection that is approved of by the Registrar the latter may use the abovementioned portion of the funds in supporting other co-operative societies in the neighbourhood or shall place the same on interest or otherwise with some co-operative bank until a new co-operative society with a similar area of operations is registered in which event the funds shall be credited to the reserve fund of such society.

Miscellaneous.

45. A member who is declared insolvent by a competent court shall *ipso facto* cease to be a member.

46. The panchayat shall have power to prescribe from time to time the scale of office establishment and to incur such expenditure as may be necessary for the management of the society.

47. No voting by *proxy* shall be allowed either at a general meeting or at a meeting of the panchayat.

48. The society shall maintain such accounts and registers as are prescribed by rule V under the Act and by the Registrar from time to time.

49. The panchayat shall be competent to fix the amount and nature of the security, if any, to be given by the office establishment.

50. It shall be competent to the panchayat to frame subsidiary rules consistent with the Act, the rules under the Act and these by-laws, to regulate the work of the society. Such subsidiary by-laws shall be entered in the minute book of the society

and they shall be reported to the Registrar of Co-operative Societies for approval.

51. The panchayatdars shall continue in office after the expiry of their term of office until by election another panchayat is constituted.

52. The panchayat shall have power to settle the terms in all cases not expressly provided for in these by-laws.

53. In the case of a dispute touching the business of the society between members or past members of the society, or persons claiming through a member or past member or between a member or past member or persons so claiming and the Board of Directors, a reference in writing may be made by any party to the Registrar. Similarly, in the case of a dispute relating to a debt due to the society by a member or past member or persons claiming through a member or past member, a reference in writing may be made by either party to the Registrar. The Registrar shall have power, on receipt of such reference, either to decide the dispute himself or refer it to an arbitrator appointed by him or to several arbitrators of whom one shall be appointed by him and one other by each of the parties to the dispute. The decision or award of the Registrar or of the arbitrator or arbitrators, as the case may be, shall be final and it may be enforced in either of these ways—

(*a*) by an application made to the Collector of the district through the Registrar of Co-operative Societies requesting that the amount due under the decision or award may be recovered in the same manner as arrears of land revenue;

(*b*) by an application to the civil court having jurisdiction over the subject-matter of the decision or award requesting that the court may enforce the decision or award as if it were a decree of the court; and

(*c*) by an application to the Registrar of the district under section 57-A of the Madras Co-operative Societies Act VI of 1932.

54. The general body shall have authority to affiliate the society to any co-operative union (with suitable jurisdiction) that may be registered by the Registrar or that is working in the neighbourhood of the society. Towards the expenses of such union the society shall contribute at the rate of 8 annas on every sum of interest earned by it in the preceding year on every Rs. 100 of loans given to members.

55. Should any sum belonging to the society be either stolen or otherwise lost and found irrecoverable, it shall be open to the general body to write off such amounts after obtaining the sanction of the Registrar.

BY-LAWS OF THE CO-OPERATIVE BUILDING SOCIETY, LIMITED, No. .

The Co-operative Building Society, Limited, No. is registered as a co-operative society under Act VI of 1932 (Madras). Its address shall be post, in the taluk in the district. Its operations shall be confined to the limits of .

2. The objects of the society shall be to carry on for the benefit of its members the trade of building and of buying, selling, hiring, letting and developing land in accordance with co-operative principles and to give loans to members for construction of new dwelling houses.

3. The liability of the members of the society shall be limited to the share capital subscribed by them.

4. The capital of the society shall for the present be Rs. made up shares of Rs. each.

5. Any person over 18 years of age who is competent to contract shall be eligible for admission as a member. But no person can claim admission as a matter of right, and no person who is a member of another building society working in the same area shall be admitted into this society.

6. Applications for admission as members and for allotment of shares shall be made to the Secretary in the form, if any, prescribed by the society for the purpose. Every such application shall be disposed of by the Board of Directors who shall have power to grant admission or to refuse it without assigning reasons.

7. Every member shall take at least one share, but no member shall take more than shares.

8. No member shall be permitted to withdraw any share or shares held by him; but the Board of Directors may permit a member who has completely discharged his liabilities to the society to withdraw his share capital entirely. A member whose liability to the society has been reduced to an amount less than his paid-up share capital may also be permitted to withdraw such portion of his share capital as is in excess of his liability, but in either case the share capital of the society after the withdrawal plus the value of the sites and buildings of the remaining members according to the calculation made on behalf of the Government as on June 30th preceding should be at least 50 per cent in excess of the outside liabilities of the society (including liability to Government) on the date of withdrawal.

9. No member shall be permitted to transfer any share held by him unless the transferee be a member or some person whom the Board of Directors is willing to admit as a member and provided in any case that the transfer of a share shall not be operative unless and until it is sanctioned by the Board of Directors.

10. On the death of a member the interest of the deceased member in the society shall be dealt with in accordance with section 22 of Act II of 1912 (India) and rule No. XV of the rules framed by the Local Government under that Act.

11. (1) A past member shall be liable, as provided in by-law 3 for the debts due by the society as they existed on the date when he ceased to be a member, for a period of two years from such date.

(2) The estate of a deceased member shall be liable, as provided in by-law 3 for the debts due by the society as they existed on the date of his decease, for a period of two years after his decease.

Funds.

12. The society will ordinarily obtain funds from the following sources:—

(1) Share subscriptions;

(2) Loans from Government;

(3) Deposits from members; and

(4) Entrance and other fees.

13. The value of each share shall be paid either in one lump sum on allotment or in instalments. When paid in instalments, Rs. shall be paid at the time of taking the share and the balance in months commencing from the month susbequent to that in which the share was taken. The monthly instalment shall be paid on or before the 15th day of the month to which it relates. The month in this by-law means the British calendar month. A member who has elected to pay the share value in instalments may pay the whole or any portion of the balance at any stage in advance. If the payment is not made on the due date, a fine of pies per rupee per mensem shall be levied. If a member is in arrears to the extent of a sum equivalent to or more than three monthly instalments, he will be debarred from exercising the privileges of membership and the Board of Directors may proceed to reallot all shares held by him to others under by-law 6 and when the value of such reallotted shares is paid into the society, the name of the defaulting member shall be removed from the books of the society and the share capital due to him be paid back. A defaulting member shall not be entitled to dividend on the amount of share capital actually paid by him from the date of default to date of repayment.

Borrowings.

14. The society shall borrow all the money it requires from Government at such rates and on such terms as the Board of Directors may settle. There is, however, no objection to the Board of Directors obtaining deposits from members provided that such deposits are repaid as soon as the loan from Government is received.

15. Every member shall pay an entrance fee of Rs. per share. Every transferee of a share shall pay a like fee of Rs. per share.

Maximum borrowing limit.

16. The total borrowings of the society both by way of deposits or otherwise and whether from members or others shall not at any time exceed four times its paid-up share capital.

Management.

17. Subject to such resolutions as the general body may from time to time pass, the executive management of the affairs of the society shall vest in a Board of Directors. The Board of Directors shall consist of not more than members.

18. The members of the Board of Directors shall be elected by the general body for a period of years from among the members. Members of the Board of Directors shall continue in office after the expiry of their term of office, until by election another Board is constituted. A retiring member of the Board of Directors shall be eligible for re-election. After the Board of Directors is elected by the general body, they shall elect from among themselves a President, a Secretary and an Assistant Secretary. Interim vacancies on the Board of Directors may be filled up by the remaining members of the Board by co-option for the unexpired portion of the period except in cases contemplated in by-law 22. Any member or members of the Board of Directors may at any time be removed by a resolution of the general body.

19. The board of Directors shall meet once a fortnight or oftener if necessary to conduct the affairs of the society. No decision of the Board of Directors shall be valid unless it is assented to by at least members. All questions before the Board of Directors shall be decided by a majority of votes. Should there be an equality of votes, the President or other presiding member shall have a casting vote. No member of the Board of Directors shall be present at a meeting of the Board when any matter in which he is personally interested is being discussed. In case of urgency where there may not be sufficient time to convene a meeting of the Board of Directors and in all cases in which such a procedure may, from time to time, be prescribed by the Board of Directors, the Secretary may obtain the orders of the Board of Directors by circulation of papers among the members present

at the headquarters of the society. Such decisions arrived at by circulation shall be placed before the next meeting of the Board of Directors for their $\frac{\text{ratification}}{\text{information}}$. Should a difference of opinion arise in the course of such circulation, the matter shall not be decided by circulation but shall be placed before a meeting of the Board of Directors.

20. Should a member of the Board of Directors absent himself from four consecutive meetings of the Board, he shall cease to be a member of the Board of Directors but may be reinstated by the Board of Directors.

21. Subject to such resolutions as the Board of Directors may from time to time pass, the several officers of the society shall have the powers mentioned below:—

(*a*) The President shall have a general control over all the affairs of the society and shall ex-officio be the Treasurer and shall have the custody of all the properties of the society. He shall also have power to appoint the members of the establishment as well as to fine, suspend or dismiss them subject in the last two cases to the approval of the Board of Directors.

(*b*) The Secretary shall be responsible for the executive administration of the society subject to the control of the President.

(*c*) The $\frac{\text{Secretary}}{\text{President}}$ shall be the officer to sue or be sued on behalf of the society and all bonds in favour of the society shall be in the name of the $\frac{\text{Secretary}}{\text{President}}$.

(*d*) The Assistant Secretary shall help the Secretary. Should the Secretary or the Assistant Secretary require relief from work, it shall be competent to the President to grant such relief, making suitable arrangements for the conduct of work by one or more of the members of the Board of Directors.

22. Any member of the Board of Directors who commits default in respect of a loan taken by him from the society or in respect of any money due from him to the society shall *ipso facto* be considered disqualified to continue as an office-bearer. But if the default has been for a period of three months or less, the defaulter may be reinstated by the general body on his showing good cause for the default. In no circumstance shall a defaulter continue to hold office as a member of the Board of Directors, if his default has continued for more than three months.

23. Receipts shall be issued for all moneys paid to the society. For moneys paid by members, the receipts shall be signed by the President or the Secretary, or the Assistant Secretary whoever is

selected by the Board of Directors to discharge this function. In the case of borrowings from non-members or from other societies, the receipt or bond shall be executed by at least   members of the Board of Directors of whom the Secretary or the President shall be one.

24. It shall be the duty of the Board of Directors to maintain such accounts and registers, as are prescribed by rule V of the rules under the Act and by the Registrar from time to time, to place before a general body meeting of the members the Registrar's notes of audit or inspection within one month from the date of receipt, to correspond with the Registrar and to do all other business relating to the society.

25. The Board of Directors shall have power to prescribe from time to time the scale of office establishment and to incur such expenditure as may be necessary for the management of the society with reference to the scale and within the budget allotment sanctioned by the general body for each year. It shall be competent to the Secretary to incur petty contingent expenditure subject to a maximum of Re. 1 for any item.

26. The Board of Directors shall be competent to fix the amount and nature of the security, if any, to be given by the office establishment.

27. It shall be competent to the Board of Directors to frame subsidiary by-laws for the conduct of the business of the society consistent with the Act, the rules under the Act and these by-laws. Such subsidiary by-laws shall be entered in the minute book of the society and they shall be reported to the Registrar of Co-operative Societies for approval.

28. The services of the members of the Board of Directors shall be gratuitous.

General body.

29. The ultimate authority in all matters relating to the administration of the society shall be the general body of the members who shall meet from time to time and at least once a year to conduct the work of the society. The general body shall not however interfere with the actions of the Board of Management in respect of matters delegated to it under the by-laws. The following among other matters shall be dealt with by the general body:—

(1) the election and removal of the Board of Directors;

(2) the annual report due to the Registrar of Co-operative Societies;

(3) the Registrar's annual audit certificate;

(4) the amendment or repeal of any existing by-law or the enactment of a new by-law;

(5) the expulsion of a member;

(6) the consideration of any complaint which any individual member may prefer against the Board of Directors; and

(7) the returns that may be prescribed by the Local Government.

30. A meeting of the general body of the members may be convened, whenever necessary, for the conduct of the business by the Board of Directors and shall be so convened by the Board of Directors at the request of 15 or more members or at the instance of Registrar.

31. It shall be the duty of every member to attend the meetings of the general body. The quorum for a general body meeting shall be   or one-fourth of the total number of members on the list at the time, whichever is less.

32. The President, when present, shall preside at the meetings of the general body. In his absence, the body may choose a chairman from their number to preside at the meeting. Every member present shall have one and only one vote. All questions shall be decided by a majority of votes of the members present and voting. When votes are equal, the chairman of the meeting shall have a casting vote.

33.   days' notice shall ordinarily be given to members before a meeting of the general body is convened.

34. If a member deceives the society in any way, or if his general conduct is such as to render his removal necessary in the interests of the society, it shall be open to the general body to expel such member. An expelled member shall not have his share capital paid up refunded to him until a purchaser of the shares held by him is forthcoming to whom the shares can be reallotted under by-law 6 and until the value of such reallotted shares is paid into the society. A member who drives the society to Court to recover the money due from him shall, for that reason, be expelled from membership. An expelled member shall be liable, as provided in by-law 3 for the debts due by the society as they stood on the date of his expulsion, for a period of two years after such expulsion.

Purchase of land and construction of houses.

35. Subject to such resolutions as the general body of members may from time to time pass, the Board of Directors shall have full power to do all things which they deem necessary or expedient for the accomplishment of all the objects specified in by-law 2, including power to purchase, hold, sell, exchange, mortgage, rent, lease, sub-lease, surrender, and accept surrenders of land or houses and to construct houses.

Purchase of land.

36. It shall be competent for the Board of Directors—

(1) to buy lands either from or through Government or otherwise;

(2) to render the lands so purchased fit for habitation;

(3) to lay down streets, roads and parcel out of the lands as house-sites;

(4) to sell or lease or otherwise deal with the sites, to members or others on such terms as they may determine; and

(5) to provide and maintain facilities for water-supply, drainage, lighting and similar works of common utility.

Construction of houses.

37. The construction of houses shall ordinarily be undertaken by the members themselves, but if the members so desire, the Board of Directors may undertake construction at the expense and risk of the members and the society shall in no way be responsible for any loss occurring in the course of such construction. When the Board of Directors undertake construction of houses, they shall require the members concerned to pay into the society in advance the whole of the estimated cost whether in one lump sum or in such instalments as the Board of Directors may require. If a building is to be constructed out of a loan or loans taken from the society, the borrower concerned shall execute the necessary bond or bonds and authorize the Board of Directors to draw the money from the society from time to time as the work progresses.

38. All houses shall be constructed according to the plans approved by the Board of Directors.

39. The construction of building for which a loan is given to a member shall be commenced within two months and completed within 16 months from the date of the disbursement of the first instalment of the loan. If any member fails to commence or complete the construction within the specified time, the Board of Directors may take the construction in their own hands and complete it, debiting the expenditure to the loan account of the member concerned.

40. Every member receiving a loan or loans from the society for the construction of a house or houses shall agree to an inspection of the house or houses during the progress of construction and a valuation thereof immediately on completion. He shall similarly agree to an annual inspection to test the security of the loan outstanding.

41. No member shall alienate any house-site bought or house constructed with the help of a loan taken from the society except to a person who is a member of the society or is one whom the Board of Directors is willing to admit as a member. The approval of the Registrar shall be obtained before such alienation is permitted by the Board of Directors.

42. Every building shall, until the amount due thereon to the society is paid in full, be kept up in good repair by the owner. The Board of Directors shall have power to cause any repair to be carried out if they are of opinion that for want of such repair the society is likely to suffer loss and shall debit the amount to the loan account of the member concerned.

43. Where the members construct houses individually for themselves, the Board of Directors may, if the members so desire, arrange for joint labour, joint purchase and joint manufacture of building materials, the society acting only as the agent of the members and being in no way responsible for any loss in the transaction.

44. Where the Board of Directors arrange for the supply of water, lighting, drainage and scavenging, etc., they may levy such fees as are necessary from members.

Loans.

45. Loans shall be given only to members, but no member shall claim a loan as a matter of right. Applications for loans shall be disposed of by the Board of Directors.

46. All applications for loans shall be made to the Secretary in the form, if any, prescribed for the purpose who shall place them before the Board of Directors.

47. No loan shall be given except for the construction of new dwelling houses.

48. Should the Board of Directors be of opinion that a loan granted by the society has been misapplied, it shall at once take steps to recover the loan with interest without waiting for the expiry of the period for which the loan has been granted.

49. No member shall at any time be indebted to the society by way of principal to the extent of more than five times his paid-up share capital.

50. Interest on loans granted by the society shall for the present be charged at pies per rupees per mensem, the first month being reckoned from the date on which the loan is paid to the corresponding date of the next.

51. Loans shall be given on the security of the site or sites belonging to the borrower together with any building or other appurtenances thereon whether they exist at the time of the loan or are constructed during the currency of the loan. Where necessary the Board of Directors shall take additional security either in the form of sureties or other immovable property.

52. Loans granted for the construction of new houses shall be disbursed only in instalments as the work of construction progresses. The second and subsequent instalments shall be paid

only after the Board of Directors has satisfied itself that the instalment or instalments already drawn have been properly utilized, that the work actually done together with the value of the land brought up to date represents expenditure exceeding by at least 25 per cent the actual amount already drawn from the Government loan sanctioned for the work.

53. Every member who has taken a loan from the society shall repay the amount together with the interest due thereon by equated monthly instalments

by monthly Instalments interest being calculated on the amount outstanding from time to time. The monthly payments shall be made on or before the 15th of the month succeeding that to which it relates. Interest at the rate of pies per rupee per mensem shall be levied on all overdue instalments. The maximum period of repayment shall in no case exceed 20 years.

53A. It shall be open to a borrower to repay at any time a larger sum than the prescribed monthly instalment or to discharge the whole loan taken by him in a single payment. Repayments other than those made on the due date of the prescribed monthly instalment will be classed as follows:—

(i) *Payment on the due date of a sum in excess of the equated payment.*—Such excess payment shall at once be credited in reduction of principal, but no postponement of any future instalments will be allowed nor the amount of subsequent instalments reduced.

(ii) *Payment before the due date.*—Any sum paid before the due date shall first be credited towards the interest which has accrued up to the date of payment and the balance if any shall be credited towards principal, the member being required to pay on the due date, the balance of interest due for the month or year and also the balance of principal, if any, due for the year. If the amount paid before the due date is in excess of the annual payment the number of future instalments should be correspondingly reduced but no postponement of such instalment will be allowed nor the amount of subsequent instalments reduced.

When a member is in default either in respect of an instalment of principal or in respect of interest, any sum paid shall be appropriated in the following order:—

(1) Penalty.

(2) Interest.

(3) Principal.

54. The repayment of the first monthly instalment of every loan given for the construction of a new house will fall due on the expiry of one month from the date on which the building, for the construction of which the loan is granted is finished

or of seventeen months from the date of disbursement of the first instalment of the loan, whichever is earlier. The interest accrued up to the date of completion of the buildings for which a loan is granted shall be payable in a lump sum on completion of the buildings or in the expiry of 16 months from the date of the disbursement of the first instalment of the loan, whichever is earlier, failing which interest at the rate of pies per rupee per mensem shall be levied on the amount overdue. There is, however, no objection to a member paying in advance the interest monthly commencing from the month succeeding that in which the first instalment of the loan was disbursed. Should a borrower be unable to pay a prescribed instalment of principal, the Board of Directors may for satisfactory reasons suspend the payment of that instalment by the grant of an extension or a fresh loan for the amount. If a borrower is in arrears for a sum of money equal to or greater than three monthly instalments of either principal or interest or both and the Board of Directors does not deem it necessary to grant an extension or a fresh loan, the whole outstanding loan becomes recoverable.

55. The amount of paid-up share capital, deposit and any other money to the credit of a member or a past member shall be subject to a first charge in favour of the society in respect of any moneys due to the society from such member or past member. The society shall be at liberty to appropriate the whole or any portion of such paid-up share capital or deposit or any other money to the moneys due by the member to the society.

56. When a member from whom money is due pays any sum, it shall be appropriated in the following order:—

Firstly, to fees, fines, postal, registration and other miscellaneous charges due by him;

Secondly, to interest; and

Thirdly, to principal.

57. When a loan is cancelled by the Board of Directors under by-law 48 on account of its misapplication, the loan account shall be closed. When an account is so closed or closed under by-law 54, the Board of Directors shall inform the borrower of the fact and of the amount outstanding against him including interest up to the date of closing the loan account. On the total amount so found due, the borrower shall be charged interest at pies per rupee per mensem from the date of closing the loan account to the date of recovery and steps shall be taken without delay to recover the amount.

However, where a loan is closed under by-law 54, the Board of Directors may, on the payment by the borrower of the arrear instalment or instalments with interest at pies per rupee per mensem, permit him to repay the balance due in instalments as originally fixed in the mortgage deed after getting a fresh mortgage deed

executed by the borrower in renewal of the original mortgage deed. But before the Board of Directors so permit the renewal of the loan, it shall obtain the approval of the Registrar.

58. Should a member be expelled under by-law 34, the loan account, if any, of the member concerned shall at once be closed without reference to the term for which the loan has been granted and action shall be taken to recover from the borrower the amount outstanding against him, including interest up to the date of closing the loan account. Interest shall be charged at pies per rupee per mensem on the amount so found outstanding from the date of closing the loan account to the date of recovery.

Profits.

59. Twenty-five per cent of the net profits of the society as declared by the Registrar year after year shall be carried to the Reserve Fund. The balance may be divided as follows:—

(1) A dividend subject to a maximum of 9 per cent per annum on the paid up value of share capital held by each and also to the period during which the paid-up share capital was so held during the year. The dividend declared shall not actually be disbursed to the members as long as any loan is outstanding against them. The amount found due to each member shall be credited to his loan account

(2) A sum equal to 10 per cent of the net profits subject to a maximum of Rs. 100 may be paid as Honorarium to the Secretary and Assistant Secretary if the general body so wishes.

(3) If there be any balance a sum not exceeding $7\frac{1}{2}$ per cent may be paid to the common good fund to be utilized for any of the purposes mentioned in section 2 of Act VI of 1890 (India), viz., if the general body so wish.

(4) The balance, if any, shall be carried to the reserve. All undivided and indivisible profits shall be added to the reserve fund. Profits not allotted in the above manner shall be carried to reserve fund.

Reserve fund.

60. (1) The reserve fund shall belong to the society as a whole and is intended to meet unforeseen losses. No member can claim a share in it. It shall be invested in such manner as the Registrar of Co-operative Societies prescribes and shall not be drawn upon except with his sanction.

(2) On the dissolution of the society, the reserve fund and other funds contributed by it under provisions of its by-laws shall be applied—

(i) to discharging such liabilities of the society as may remain undischarged after the enforcement in full of the liability of the members of the society;

(ii) to the repayment of the share capital paid up; and

(iii) to the payment of dividend upon such share capital, at a rate not exceeding 9 per cent per annum for any period or periods for which no dividend has been paid.

(3) Such portion of these funds as shall remain after payments mentioned in sub-clause (2) shall be applied to such local objects of public utility as may be selected by the general body and approved of by the Registrar in accordance with rule XIV (3) (*a*) of the rules under the Act. If within three months of the final closing up of the society the general body fails to make any selection that is approved of by the Registrar, the latter may use the abovementioned portion of the funds in supporting other co-operative societies in the neighbourhood or shall place the same on interest or otherwise with some co-operative bank until a new co-operative society with a similar area of operations is registered in which event the funds shall be credited to the reserve fund of such society.

61. If, however, at any time the general body resolves to split the society into more than one society by excluding a portion of the existing area of operations from the operations of the society and a new society or societies be registered to cover the area so excluded, a portion of the reserve fund shall be transferred to the society or societies as decided upon by the general body which resolves upon the splitting of the original society.

62. No amendment to, alteration in, or cancellation of, a by-law nor the enactment of a new by-law shall be made except at a general meeting of the members or shall take effect until it shall have been approved by the Registrar.

63. Should any doubt arise as to the construction of the Act or any by-law, the Board of Directors shall refer the same to the Registrar of Co-operative Societies for advice and act according to his advice.

64. The society shall prepare annually in such form as may be prescribed by the Registrar (*a*) a statement showing the receipts and disbursements for the year, (*b*) a profit and loss account, (*c*) a balance sheet, and (*d*) such other statements as may be prescribed by the Registrar.

These statements shall be made up to 30th June and a copy of each shall be sent to the Registrar within fifteen days after the close of the co-operative year ending 30th June. After the Registrar has verified the statements and granted his audit certificate, the society shall publish such of the prescribed statements as he may direct in the manner prescribed by him.

65. In the case of a dispute touching the business of the society between members or past members of the society, or persons claiming through a member or past member or between a member

or past member or persons so claiming and the Board of Directors, a reference in writing may be made by any party to the Registrar. Similarly, in the case of a dispute relating to a debt due to the society by a member or past member or persons claiming through a member, or past member, a reference in writing may be made by either party to the Registrar. The Registrar shall have power on receipt of such reference either to decide the dispute himself or refer it to an arbitrator appointed by him or to several arbitrators of whom one shall be appointed by him and one other by each of the parties to the dispute. The decision or award of the Registrar or of the arbitrator or arbitrators, as the case may be, shall be final and it may be enforced in either of these ways:—

(*a*) by an application made to the Collector of the district through the Registrar of Co-operative Societies, requesting that the amount due under the decision or award may be recovered in the same manner as arrears of land revenue;

(*b*) by an application to the Civil Court having jurisdiction over the subject-matter of the decision or award requesting that the Court may enforce the decision or award as if it were a decree of the Court; and

(*c*) by an application to the Registrar of the district under section 57-A of the Madras Co-operative Societies Act VI of 1932.

66. Should any sum belonging to the society be either stolen or otherwise lost and found irrecoverable, it shall be open to the general body to write off such amounts after obtaining the sanction of the Registrar.

BY-LAWS OF THE CO-OPERATIVE LABOUR CONTRACT SOCIETY, LIMITED, No.

Name, constitution and address.

The Co-operative Labour Contract Society, Limited, No. is registered as a co-operative society under Madras Act VI of 1932. Its address shall be village, post, in the taluk of in the district. Its operations shall be confined to .

Objects.

2. The objects of the society shall be to promote the economic interests of the labourer members of the society and to find suitable and profitable employment for them by obtaining contracts from Government, public bodies, private bodies, or individuals, and by executing these contracts through or with the help of the members and to encourage thrift, self-help and co-operation among the members. The society may also act as agent for the joint purchase of the domestic and other requirements of its members.

It shall be competent for the society to raise money either by way of shares or otherwise to enable it to carry out these objects

Membership.

3. The liability of the members of the society shall be limited to the share capital subscribed by them.

4. The capital of the society shall for the present be Rs. made up of shares of Rs. each. The value of each share shall be paid either in one lump sum on allotment or in instalments. When paid in instalments, the value of a share shall be collected monthly, weekly or daily according to the interval at which the member gets his wages. The Board of Directors shall fix the instalments and the date within which each instalment is to be paid. If the instalment is not paid on the due date, a fine of two pies per rupee per mensem will be levied and the defaulter will be debarred from exercising the privileges of membership.

5. Any labourer over 18 years of age who is competent to contract residing within the limits referred to in the third sentence of by-law 1 shall be eligible for admission as a member. Any person other than a labourer may also be admitted as a member provided that the total number of such persons admitted in the society shall not exceed one-tenth of the total number of members on the list at any time. But no person can claim admission as a matter of right.

6. Applications for admission as members and for allotment of shares shall be made to the Secretary in the form, if any, prescribed by the society for the purpose. Every such application shall be disposed of by the Board of Directors who shall have power to grant admission or to refuse it without assigning reasons.

7. Every member shall take at least one share, but no member shall take more than shares. Every member shall pay on entrance fee of annas for each share taken by him at the time of taking the share provided that the total payment of entrance fees by any one member for all the shares held by him shall not exceed Rs. .

8. No member shall be permitted to withdraw any of the shares held by him in the society within years after the date when such shares were taken by him. But a member may withdraw shares with the consent of the Board of Directors after such period provided firstly that he has given at least six months' notice of withdrawal, secondly that the total amount of share capital that is permitted to be withdrawn in any one year does not exceed 10 per cent of the aggregate paid-up share capital of the society as it was on June 30th preceding, thirdly that there are no debts due from him to the society and fourthly that there are no debts due to the society in regard to which he has stood surety. When a member withdraws shares under this by-law, he shall be paid back the share capital actually paid by him with the dividend declared, if any. Then ten per cent limit to which the withdrawal of share capital in any one year is restricted in this by-law shall cover all withdrawals except those made under by-laws 9, 10 and 36.

9. Should a member cease to be eligible for membership either on account of the removal of his residence from the limits prescribed in by-law 1 or for any other cause, the society shall remove his name from the list of members and shall pay back within a reasonable period to such member the share capital actually paid by him with the dividend declared, if any, after deducting therefrom the money, if any, due from him to the society either as principal debtor or as surety.

10. (1) If a member dies, his membership shall *ipso facto* cease.

(2) (*a*) Every member of the society may nominate any person to succeed, in the event of his death, to his share or interest in the society. Such nomination shall, in the event of his death, be given effect to by the society provided—

(i) the nomination was signed by the deceased in the presence at least two witnesses attesting the same;

(ii) the nomination has been registered in the books of the society kept for the purpose; and

(iii) the person nominated shall have been admitted by the Board of Directors as a member of the society under by-law 6.

(*b*) In the event of there being no person nominated by the deceased member *who is qualified in accordance with the by-laws for membership of the society, the society shall transfer* the share or interest of the deceased member to *such person as may appear to the committee to be* the heir or legal representative of the deceased or to any person (nominated by such nominee, heir or legal representative within one month of the death of the deceased member), provided such heir or legal representative or nominee shall have been admitted by the committee as a member of the society under by-law 6.

(*c*) In the event of there being no person qualified to succeed under clause (*a*) or (*b*) of this by-law to the share or interest of a deceased member, the society shall pay to the nominee of the deceased or to the heir or legal representative, as the case may be, a sum representing the deceased member's share or interest at the time of his death, ascertained in accordance with the by-laws of the society.

(3) Subject as aforesaid, the society may pay all other moneys due to the deceased member from the society, to the person nominated by him in accordance with clause (2) (*a*) of this by-law or to such person as may appear to the committee to be the heir or legal representative of the deceased member, as the case may be.

11. (1) A past member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date when he ceased to be a member, for a period of two years from such date.

(2) The estate of a deceased member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date of his decease, for a period of two years after his decease.

12. No member shall be permitted to transfer his share or shares or create a charge in respect of the same in favour of another member or person except with the previous sanction of the Board of Directors.

13. With the sanction of the Board of Directors a member may at any time increase the number of shares held by him so as not to exceed the limit of shares laid down in by-law 7.

Deposits.

14. Deposits may, at the discretion of the Board of Directors, be received at any time from members or non-members.

15. Deposits from members shall be given preference to deposits from non-members.

16. There shall be three classes of deposits:—(A) Fixed, (B) Recurring, and (C) Chit funds.

A.—Fixed deposits.

(i) A fixed deposit is the deposit of a fixed amount of money for a fixed period of time. No fixed deposit shall be received for a sum less than Rs. 5 or an exact multiple thereof, or for a period less than six months.

(ii) Interest shall ordinarily be calculated on fixed deposits at a rate not exceeding $6\frac{1}{4}$ per cent per annum. Should a fixed deposit from a member or from a co-operative society be made for a period of not less than one year, the deposit being not less than Rs. 100, interest may be paid thereon at a rate not exceeding $7\frac{1}{2}$ per cent per annum. Interest on fixed deposits shall be paid yearly or at such shorter intervals as may have been agreed upon at the time of deposit.

(iii) The interest on a fixed deposit shall cease on the expiry of the period for which the deposit was made, unless notice in writing of the intention to renew the deposit for a further period of not less than six months has been received in the office of the society before the expiry of the original period. The society is not, however, bound to renew a fixed deposit after the expiry of the period for which it was made, but in case of such refusal interest shall be payable at the former rate until the date of such refusal.

B.—Recurring deposits.

A recurring deposit is a deposit made by a person who undertakes to pay to the society every month a fixed amount of one rupee or a multiple thereof for a period of 12, 24, 45, 84 or 132 months. A depositor paying one rupee per mensem for a period of 12, 24, 45, 64, 84 or 132 months shall before the close of the 14th, 26th, 47th, 86th and 134th month receive a sum of Rupees 12–6–3, Rs. 25–8–0, Rs. 50, Rs. 102–8–0, or Rs. 180–8–0 respectively, as the case may be, out of which the sum of Rs. 12, 24, 45, 84, or 132 shall be debited in the accounts as repayment of principal and the balance as interest thereon. Every recurring depositor shall pay his monthly deposit before the end of the calendar month to which it relates failing which he shall be charged a fine of two pies per rupee per month or fraction thereof on every rupee overdue. Should a recurring depositor be in arrears to the extent of a sum equivalent to or more than four monthly instalments, his deposit account shall at once be closed. It shall however be competent to the Board of Directors if they think fit to reopen the account provided the prescribed fine due up to date is paid or to pay back the amount actually paid by the depositor together with interest on the amount of deposits actually made calculated at a rate not exceeding 2/3 of the original rate provided the deposit amount was held by the society for a period of at least one year. It shall be open to the society to credit the whole or part of the amount due to him towards any money due from the

depositor to the society. It shall be competent to a recurring depositor with the consent of the Board of Directors, to alter the nature of his recurring deposit to any of the categories of such deposits prescribed in these by-laws.

C.—Chit funds.

On an application of ten or more members the Board of Directors may start and conduct chit funds to secure savings and frame rules for that purpose subject to the following conditions:—

(*a*) the number of members of a single chit fund shall be not less than 10 and not more than 24;

(*b*) the total amount of any chit fund shall not be more than Rs. 2,400;

(*c*) the period during which a chit is to run shall be not less than ten and not more than 24 months;

(*d*) every chit member must subscribe for at least one share but no member can take more than three shares;

(*e*) the method of disposal of a chit amount shall be under the auction system under which the pool or amount subscribed by all the members is knocked down to the member who bids the highest discount as consideration for drawing the pool. When there is no bid, the collection less $4\frac{1}{2}$ per cent shall be lent to the member selected by casting lots among all the members who have not already had loans under the system or when two or more members bid the same discount, selection by casting lots shall be made among them;

(*f*) the discount in disposing of any chit fund shall be not less than $4\frac{1}{2}$ per cent and not more than 9 per cent;

(*g*) the members applying for the starting of a chit fund shall be jointly and severally responsible for any loss arising by any member or members of the chit failing to fulfil their engagements and the society as a whole shall not be responsible for such loss;

(*h*) the Board of Directors shall have full discretion in the matter of obtaining security from member to whom the chit amount is allotted;

(*i*) out of the discount or interest collected, one anna in the rupee shall be appropriated by the society towards the cost of establishment, the remainder being distributed among the members of the chit fund in the proportion of their shares; and

(*j*) any sums due to the society by members who are also subscribers to a chit fund may at the discretion of the Board of Directors be deducted from the chit amount or discount or interest when it falls to them.

Other borrowings.

17. It shall be competent to the Board of Directors to borrow funds otherwise than by way of deposits either from members, or from persons other than members, or from institutions registered under the Indian Companies Act or under the Co-operative Societies Act provided that the interest payable on the borrowed amount shall not, in any case, exceed $7\frac{1}{2}$ per cent per annum.

Maximum borrowing limit.

18. The total borrowings of the society both by way of deposits or otherwise and whether from members or others shall not at any time exceed   times the paid-up share capital *plus* the reserve fund.

Management.

19. Subject to such resolutions as the general body may from time to time pass, the executive management of the affairs of the society shall vest in a Board of Directors. The Board of Directors shall consist of not more than   members, of whom not less than   shall be labourers.

20. The members of the Board of Directors shall be elected by the general body for a period of one year from among the members. Members of the Board of Directors shall continue in office after the expiry of their term of office, until by election another Board is constituted. A retiring member of the Board of Directors shall be eligible for re-election. After the Board of Directors is elected by the general body, they shall elect from among themselves a President and a Secretary. Interim vacancies on the Board of Directors may be filled up by the remaining members of the Board by co-optation for the unexpired portion of the period except in cases contemplated in by-law 24. Any member or members of the Board of Directors may at any time be removed by a resolution of the general body.

21. The Board of Directors shall meet once a fortnight or oftener if necessary to conduct the affairs of the society. No decision of the Board of Directors shall be valid unless it is assented to by at least   members. All questions before the Board of Directors shall be decided by a majority of votes and should there be an equality of votes, the President or other presiding member shall have a casting vote. No member of the Board of Directors shall be present at a meeting of the Board when any matter in which he is personally interested is being discussed. In case of urgency where there may not be sufficient time to convene a meeting of the Board of Directors and in all cases in which such a procedure, may, from time to time, be prescribed by the Board of Directors, the Secretary may obtain the orders of the Board of Directors by circulation of papers among the members present at the headquarters of the society. Such decisions arrived at by circulation shall be placed before the next meeting of the

Board of Directors for their $\frac{\text{ratification}}{\text{information}}$. Should a difference of opinion arise in the course of such circulation, the matter shall not be decided by circulation but shall be placed before a meeting of the Board of Directors.

22. Should a member of the Board of Directors absent himself from four consecutive meetings of the Board, he shall cease to be a member of the Board of Directors but may be reinstated by the Board of Directors.

23. Subject to such resolutions as the Board of Directors may from time to time pass, the several officers of the society shall have the powers mentioned below:—

(*a*) the President shall have a general control over all the affairs of the society and shall ex-officio be the Treasurer and shall have the custody of all the properties of the society. He shall also have power to appoint the members of the establishment as well as to fine, suspend or dismiss them subject in the last two cases to the approval of the Board of Directors;

(*b*) the Secretary shall be responsibe for the executive administration of the society subject to the control of the President;

(*c*) the President/Secretary shall be the officer to sue or be sued on behalf of the society and all bonds in favour of the society shall be in the name of the President/Secretary.

(*d*) Should the Secretary require relief from work, it shall be competent to the President to grant such relief, making suitable arrangements for the conduct of work by one or more of the members of the Board of Directors.

24. Any member of the Board of Directors who commits default in respect of a loan taken by him from the society shall *ipso facto* be considered disqualified to continue as an office-bearer. But if the default has been for a period of three months or less, the defaulter may be reinstated by the general body on his showing good cause for the default. In no circumstance shall a defaulter continue to hold office as a member of the Board of Directors if his default has continued for more than three months.

25. Receipts shall be issued for all moneys paid to the society. For moneys paid by members the receipt shall be signed by the President or the Secretary or the Assistant Secretary whoever is selected by the Board of Directors to discharge this function. In the case of borrowings from non-members or from other societies, the receipt or bond shall be executed by at least   members of the Board of Directors of whom the Secretary or the President shall be one.

26. It shall be the duty of the Board of Directors to maintain such accounts and registers as are prescribed by rule VII of the rules under the Act and by the Registrar from time to time, to place before a general body meeting of the members the Registrars'

notes of audit or inspection within one month from the date of receipt, to correspond with the Registrar and to do all other business relating to the society.

27. The Board of Directors shall have power to prescribe from time to time the scale of office establishmnet and to incur such expenditure as may be necessary for the management of the society with reference to the scale and within the budget allotment sanctioned by the general body for each year. It shall be competent to the Secretary to incur petty contingent expenditure subject to a maximum of Re. 1 for any item.

28. The Board of Directors shall be competent to fix the amount and nature of the security, if any, to be given by the office establishment.

29. It shall be competent to the Board of Directors to frame subsidiary by-laws for the conduct of the business of the society consistent with the Act, the rules under the Act and these by-laws. Such subsidiary by-laws shall be entered in the minute book of the society and they shall be reported to the Registrar of Co operative Societies for approval.

30. The services of the members of the Board of Directors shall be gratuitous except as provided for in by-law 41.

General body.

31. The ultimate authority in all matters relating to the administration of the society shall be the general body of the members who shall meet from time to time and at least once a year to conduct the work of the society. The general body shall not however, interfere with the acts of the Board of Directors in respect of matters delegated to it under the by-laws. The following among other matters shall be dealt with by the general body:—

(1) the election and removal of the Board of Directors;

(2) the annual report due to the Registrar of Co-operative Societies;

(3) the Registrar's annual audit certificate;

(4) the amendment or repeal of any existing by-law or the enactment of a new by-law;

(5) the expulsion of a member;

(6) the consideration of any complaint which any individual member may prefer against the Board of Directors;

(7) the returns that may be prescribed by the Local Government; and

(8) the annual budget.

32. A meeting of the general body of the members may be convened, whenever necessary, for the conduct of the business by the Board of Directors and shall be so convened by the Board

of Directors at the request of 15 or more members or at the instance of the Registrar or by a member of the governing body specially deputed by a resolution of the governing body of the union to which the society is affiliated.

33. It shall be the duty of every member to attend the meetings of the general body. The quorum for a general body meeting shall be or one-fourth of the total number of members on the list at the time, whichever is less.

34. The President, when present, shall preside at the meetings of the general body. In his absence the body may choose a chairman from their number to preside at the meeting. Every member present shall have one and only one vote. All questions shall be decided by a majority of votes of the members present and voting. When votes are equal, the chairman of the meeting shall have a casting vote.

35. days' notice shall ordinarily be given to members before a meeting of the general body is convened.

36. If a member deceives the society in any way, or if his general conduct is such as to render his removal necessary in the interests of the society, it shall be open to the general body to expel such member. An expelled member shall be paid all moneys due to him from the society, after deducting therefrom any money due from him to the society. A member who drives the society to Court to recover the money due from him shall, for that reason, be expelled from membership. An expelled member shall be liable, as provided in by-law 3 for the debts due by the society as they stood on the date of his expulsion, for a period of two years after such expulsion.

37. The general body shall have authority to affiliate the society to any co-operative union (with suitable jurisdiction) that may be registered by the Registrar or that is working in the neighbourhood of the society. Towards the expenses of such union the society shall contribute such sum as is fixed by the general body with the approval of the union or the supervising body and the Registrar, provided that the total amount payable on this account in any one year shall not exceed Rs. 150.

Labour.

38. The Board of Directors shall be competent to enter into contracts for the execution of public or private works or to undertake piece or job work on behalf of the society. These works shall be executed through or with the help of members. Work may be executed either by giving sub-contracts to groups of members or by employing them on daily wages or on piece work. When sufficient members are not available, the Board of Directors may employ persons other than members to such extent as may be necessary, to do any work which the society has in hand,

and pay them such remuneration as may be reasonable. The Board of Directors can enter into agreements with the members for the due performance of work or works entrusted to them or of the work allotted to them from day to day. They may also take steps to enforce the fulfilment of such agreements in accordance with the provisions of the Workmen's Breach of Contract Act XIII of 1859.

Ready money advances.

39. The Board of Directors shall be competent to make ready money advance to individual members or to groups of members for carrying out work entrusted to them and shall frame subsidiary by-laws to regulate the grant of such advances. Such advances shall be recoverable out of the wages earned or out of the sum paid for the work done, by the members concerned. An individual member applying for a ready money advance shall produce one or more sureties. When an advance is given to a group of members the whole group shall be responsible for the money given. Interest shall be charged on such advance at a rate not exceeding 2 pies per rupee per mensem.

Joint purchase.

40. The Board of Directors may purchase wholesale the domestic and other requirements of the members; but in making such a purchase it shall act only as the agent of the members and shall accept no liability for any loss occurring in the transaction. Purchase shall be made only to the extent of the requirements of those members who are able to pay in cash or to whom the society is able to give a loan for the purpose of payment. Accounts showing these transactions shall be maintained in such forms as the Registrar may prescribe. Subsidiary by-laws may be framed by the Board of Directors for purposes of these purchases subject to their approval by the Registrar.

Profits.

41. (1) Twenty-five per cent of the net profits of the society as declared by the Registrar every year shall be carried to the credit of the reserve fund;

(2) out of the remainder, a dividend subject to a maximum of 9 per cent per annum on the paid-up value of each share may be paid to members proportionately to the amount of paid-up share capital held by each and also to the period during which the paid-up share capital was so held during the year;

(3) out of the remainder—

(*a*) an honorarium not exceeding per cent of the net profits may be paid to the Secretary with the approval of the Registrar;

(*b*) a sum not exceeding $7\frac{1}{2}$ per cent of the net profits may be paid to a common good fund to be utilized for any of the purposes mentioned in section 2 of the Charitable Endowments Act VI of 1890 (India), namely, , if the general body so wish;

(*c*) the balance, if any, shall be distributed to members in proportion to the wages earned by them or cost of units of work done by members;

(4) any profits not allotted in the manner aforesaid in any year shall be forthwith added to the reserve fund.

All undisbursable and indivisible profits shall be added to the reserve fund.

Reserve fund.

42. (1) The reserve fund shall belong to the society as a whole and is intended to meet unforeseen losses. No member can claim a share in it. It shall be invested in such manner as the Registrar of Co-operative Societies prescribes and shall not be drawn upon except with his sanction.

(2) On the dissolution of the society the reserve fund and other funds contributed by it under provisions of its by-laws shall be applied:

(i) to discharging such liabilities of the society as may remain undischarged after the enforcement in full of the liability of the members of the society,

(ii) to the repayment of the share capital paid up, and

(iii) to the payment of dividend upon such share capital at a rate not exceeding 9 per cent per annum for any period or periods for which no dividend has been paid.

(3) Such portion of these funds as shall remain after payments mentioned in sub-clause (2) shall be applied to such local objects of public utility as may be selected by the general body and approved of by the Registrar. If within three months of the final closing up of the society the general body fails to make any selection that is approved of by the Registrar, the latter may use the abovementioned portion of the funds in supporting other co-operative societies in the neighbourhood or shall place the same on interest or otherwise with some co-operative bank until a new co-operative society with a similar area of operations is registered in which event the funds shall be credited to the reserve fund of such society.

43. No amendment to, alteration in, or cancellation of, a by-law nor the enactment of a new by-law shall be made except at a general meeting of the members or shall take effect until it shall have been approved by the Registrar.

Miscellaneous.

44. Should any doubt arise as to the construction of the Act or any by-law, the Board of Directors shall refer the same to the Registrar of Co-operative Societies for advice and act according to his advice.

45. The society shall prepare annually in such form as may be prescribed by the Registrar (*a*) a statement showing the receipts and disbursements for the year, (*b*) a profit and loss account, (*c*) a balance sheet and (*d*) such other statements as may be prescribed by the Registrar.

These statements shall be made up to 30th June and a copy of each shall be sent to the Registrar within fifteen days after the close of the co-operative year ending 30th June. After the Registrar has verified the statements and granted his audit certificate, the society shall publish such of the prescribed statements as he may direct in the manner prescribed by him.

46. In the case of a dispute touching the business of the society between members or past members of the society, or persons claiming through a member or past member or between a member or past member or persons so claiming and the Board of Directors, a reference in writing may be made by any party to the Registrar. Similarly, in the case of a dispute relating to a debt due to the society by a member or past member or persons claiming through a member or past member, a reference in writing may be made by either party to the Registrar. The Registrar shall have power, on receipt of such reference, either to decide the dispute himself or refer it to an arbitrator appointed by him or to several arbitrators of whom one shall be appointed by him and one other by each of the parties to the dispute. The decision or award of the Registrar or of the arbitrator or arbitrators as the case may be shall be final and it may be enforced in either of these ways—

(*a*) by an application made to the Collector of the district through the Registrar of Co-operative Societies requesting that the amount due under the decision or award may be recovered in the same manner as arrears of land revenue; or

(*b*) by an application to the Civil Court having jurisdiction over the subject matter of the decision or award requesting that the Court may enforce the decision or award as if it were a decree of the Court;

(*c*) by an application to the Registrar of the district under the provisions of the Co-operative Societies Act.

47. Should any sum belonging to the society be either stolen or otherwise lost and found irrecoverable, it shall be open to the general body to write off such amounts after obtaining the sanction of the Registrar.

BY-LAWS OF THE LOCAL CO-OPERATIVE UNION, LIMITED, No.

General.

The Local Co-operative Union, Limited, No. , is registered as a co-operative society under Act VI of 1932 (Madras). Its address shall be town, post, district. Its operations shall be extended to

2. The objects of the union are—

(1) to develop the work of affiliated societies to the utmost of its power,

(2) to recommend the grant of loans to such societies from other co-operative societies registered under Act X of 1904 or Act II of 1912 (India), or Act VI of 1932 (Madras),

(3) to exercise careful and regular supervision over affiliated societies and to make frequent and careful inspection of the same,

(4) to settle all matters of common interest, to advise and assist affiliated societies and to further their interest in every way so as to bring about better living or better business and better methods of production,

(5) to organize fresh societies, and

(6) to act as agent for the societies affiliated and to arrange for the purchase of agricultural, domestic and other requirements in bulk for the benefit of the members of such societies and for the sale of agricultural produce to the best advantage.

3. The union shall consist only of societies affiliated to it under by-law 7. The capital of the union shall, for the present, be composed of as many shares as there are societies affiliated to the union, at the rate of Rs. 100 for each share. No society taking a share need pay any money towards that share. The entire sum of Rs. 100 shall be its reserve liability on account of that share which it may be called upon to pay either in whole or in part should the assets of the union be found at any time to be unequal to its liabilities.

4. The liability of each affiliated society for the obligations or liabilities of the union shall be limited to the share capital subscribed by the society.

5. Each affiliated society shall take one share in the union. The share held by a society under this by-law shall give it the right to send from amongst its members one or two delegates to the union; delegates shall hold office for a period of three years

each, and in any case a delegate shall continue to hold office till he shall have been replaced by another delegate or till the registration of the society of which he is the delegate is cancelled. It shall be competent to the society at any moment to withdraw its delegate and to select another delegate.

6. Each society shall pay, before affiliation, an affiliation fee of Rs. . It shall also pay a fee of Re. 1 for every delegate deputed by it and shall pay Re. 1 on every subsequent occasion when a delegate is changed or renominated.

7. Any society working within the area fixed in by-law 1 may apply for affiliation provided that no society can claim affiliation as a matter of right and secondly, that the governing body of the union may decline to affiliate any society without giving reasons.

8. No society once affiliated can be disaffiliated without the sanction of the Registrar unless it is dissolved or unless it is affiliated to another union provided that, with the sanction of the Registrar, the governing body of the union may disaffiliate any affiliated society.

Funds.

9. The funds of the union shall consist of—

(1) affiliation fees;
(2) fees for registration of delegates;
(3) allotments from the district supervision fund;
(4) miscellaneous items;
(5) contributions from affiliated societies to meet the expenses of the union; and
(6) the deposits which may be taken by the union under the special orders of the Registrar.

10. Subject to such resolutions as the general assembly of the union (general body of the union) may, from time to time, pass, the executive management of the affairs of the union shall vest in a governing body of not more than members. The members of the governing body shall be elected by the general assembly of the union from among such delegates of affiliated societies as have not themselves been in default for a period exceeding three months, in respect of their own individual loans in their own societies. The members of the governing body shall hold office for a period of three years or until their successors are elected. An affiliated society can withdraw its delegate at any time and send another in his stead and any delegate who is so withdrawn shall cease to be member of the governing body, if he happens to sit on that body at the time of withdrawal. Should any vacancy arise in the governing body in the interval, between two general elections of office-bearers, it may be filled up for the interval by the remaining members of the governing body from among such delegates of societies as are not at the time in default for a period exceeding three months in respect of their own individual loans in their own societies.

11. The members of the governing body shall choose from among themselves a president, a secretary and a treasurer. The secretary shall conduct all the business of the union, subject to the control of the president and in accordance with the resolutions of the governing body.

12. The governing body shall meet as often as necessary and at least once a month. The meetings shall be held at the registered office of any of the affiliated societies. The quorum for a meeting of the governing body shall be . Any member who fails to attend three consecutive meetings of the governing body of the union shall be liable to be removed by that body but may be reinstated for the unexpired portion of the term of the governing body for satisfactory reasons given.

13. It shall be the duty of the governing body—

(1) to control and supervise primary societies affiliated to the union;

(2) to see that general body meetings are duly held;

(3) to see that office-bearers and members understand their rights and responsibilities and the principles of co-operation and take a proper interest in their society; and

(4) to settle all matters of its common interest, to advise and assist societies and to further their interest in every way.

14. The staff employed for the supervision of societies shall be the staff deputed by the Central Bank to work under the union. The supervisor or supervisors so deputed shall be borne on the district cadre of supervisors recruited by the Central Bank. The recruitment, training, appointment, punishment and dismissal shall work under the direct control of the union who shall have power to censure, fine up to Rs. 5 or suspend them for a period not exceeding one month. In case of suspension an appeal may lie to the executive committee of the Central Bank. A copy of the diaries, tour programmes and inspection reports shall be sent to the Central Bank which shall have power to review their work and issue instructions. The governing body of the union shall see that all instructions of the Central Bank are carried out by the supervisor or supervisors concerned.

15. The supervisor should check the cash and all entries in cash book, ledger, etc., verify vouchers and check interest calculations; ascertain that loans are granted for proper purposes and on adequate security and have been used for the purpose for which they were granted, that they have been paid to the proper parties and that the time for repayment is fixed with reference to the ability and convenience of the borrower; examine repayments to see that there are no book adjustments; see that extensions are given when necessary and only when necessary. He should also see that panchayatdars do not take advantage of their position by taking benami loans or otherwise, rectify any irregularities

brought to light in the audit and inspection reports and to prepare the statistical returns, if necessary. He should see that the administration of each society entrusted to him is carried out in strict conformity with co-operative principles, with its own by-laws and with the by-laws of the union. He should assure himself that the members of the panchayat of each society work in a spirit of harmony and justice, that they fully understand the principles of co-operation and that the orders passed from time to time by the Registrar and the union have been carried out. The panchayatdars of each affiliated society shall give the supervisor every assistance in their power.

16. No affiliated society shall be at liberty to receive a loan from any person or society unless such loan shall have been sanctioned by the governing body, but each affiliated society shall be at liberty to receive deposits from members or non-members at its discretion but not from other co-operative societies so as not to exceed its maximum borrowing power.

17. The governing body of the union shall not sanction loans or allow deposits from the surplus of one society affiliated to the union to any other society so affiliated except with the consent of the financing bank and the approval of the Registrar.

18. The governing body shall have full power to depute a member or members of that body or any other person to inspect and to ascertain by inquiry if the by-laws are being carefully observed by affiliated societies and where necessary to advise the panchayatdars as to the transaction of their business. It should check annually the credit of affiliated societies.

19. Any person deputed under by-law 21 by the governing body of the union shall have power to convene special meetings of the panchayats or of the general assemblies of affiliated societies and to address them, but they shall not vote at such meetings.

20. The governing body may sanction fees to its members and to delegates for attendance at meetings on a scale to be approved by the District Central Bank.

21. The members of the governing body of the union shall work gratuitously; provided that they may receive travelling allowance and batta for journeys undertaken on the business of the union within the provision for the purpose in the budget approved by the Central Bank, but they shall be entitled to no sitting fee.

22. (*a*) The Secretary may, with the sanction of the governing body and within the budget provision, make the payments necessary for carrying on the work of the union. Such payments shall include—

(i) postal charges for remittances and correspondence;

(ii) travelling allowance and batta of members to meetings of unions and subordinates at the rates sanctioned by

the general assembly and approved by the District Co-operative Central Bank;

(iii) establishment charges of a permanent or temporary character on the scale sanctioned by the general assembly and approved by the District Co-operative Central Bank or sanctioned by the Central Bank;

(iv) house-rent, cost of furniture and stationery and other charges; and

(v) any other charges permitted by a resolution of the general assembly and approved by the District Co-operative Central Bank.

(*b*) The Secretary may incur expenditure on any specific item of expenditure under contingencies not exceeding one rupee.

23. The governing body may make subsidiary rules for regulating their work. Such rules shall be entered in the minute book of the union and a copy of every such rule shall be submitted to the Registrar and the District Central Bank.

24. The governing body may take steps to arrange for the monthly submission of accounts by affiliated societies and may pass remarks thereon for the information and guidance of the societies concerned. The governing body may also call for lists of defaulting borrowers in affiliated societies and may advise the societies concerned to take the necessary action.

25. The governing body shall be bound to furnish to the financing bank any information required by the bank with a view to satisfying itself as to the financial condition of any affiliated society to which the bank has given or has been requested to give financial assistance.

Powers of the general assembly of the union.

26. The ultimate authority in all matters relating to the administration of the union shall be the general assembly of the union which shall be convened from time to time by the governing body of the union and which shall be composed of (1) the members of the governing body of the union and (2) delegates deputed by the various affiliated societies. The general body shall not however interfere with the action of the governing body of the union done in the exercise of powers conferred on it by the by-laws. The governing body shall convene a meeting of the general assembly of the union at least once a year and on the requisition of not less than 20 delegates or 20 societies and at the requisition of a district officer of the co-operative department:—

(1) the election of members of the governing body of the union;

(2) the framing of the annual budget of receipts and expenditure which shall be submitted to the District Co-operative Central Bank for its approval and shall not be varied except with its approval;

(3) the fixing of the scale of pay for the clerical establishment of the union subject to the sanction of the District Co-operative Central Bank;
(4) the annual report due to the Registrar;
(5) the Registrar's annual audit certificate;
(6) amendment to the by-laws;
(7) any complaint which any affiliated society may prefer against the governing body of the union; and
(8) the election of a member to the Board of Management of the Central Bank from among the members of the governing body of the union.

27. It shall be the duty of every delegate to attend the meetings of the general assembly of the union. The quorum for a general assembly of the union shall be or one-fourth of the total number of societies affiliated to the union, whichever is less.

28. At each of the meetings of the general assembly of the union the president of the union when present shall preside. In his absence the assembly may choose a chairman from persons present and entitled to vote. All questions presented to the meeting shall be decided by a majority of votes of the members present and voting. Every member shall have one and only one vote. When votes are equal, the chairman shall have a casting vote.

Joint purchase and sale.

29. The governing body of the union may, on the written requisition of the panchayat of all or any of the societies affiliated, purchase wholesale the agricultural, domestic and other requirements of the members of the affiliated societies with the money advanced by such societies and in making such a purchase the governing body shall act only as the agent of such societies affiliated and accept no liability for any loss occurring in the transaction. Accounts of these transactions shall be maintained in the forms prescribed by the Registrar. Subsidiary by-laws may be framed by the governing body for purposes of these purchases and they shall be entered in the minute book of the union. A copy of these by-laws should be sent to the Registrar for his approval.

The governing body may also undertake the joint sale of the produce of the members of the affiliated societies on the written requisition of the panchayat of such societies; but in undertaking such sales, the union shall accept no liability for loss and shall act merely as the agent of the members.

Miscellaneous.

30. No new by-law and no amendment to, alteration in, or cancellation of, an existing by-law of the union shall be made except at a general meeting of the members or shall take effect until it shall have been approved by the Registrar.

31. Should there be a conflict between the by-laws of the union and the by-laws of an affiliated society, the by-laws of the union shall prevail. In cases of doubt in the interpretation of the by-laws, the Registrar shall be consulted and his decision shall be accepted as final.

32. The society shall prepare annually in such form as may be prescribed by the Registrar (*a*) a statement showing the receipts and disbursements for the year, (*b*) a profit and loss account (statement of income and expenditure), (*c*) a balance sheet, and (*d*) such other statements as may be prescribed by the Registrar. These statements shall be made up to 30th June and a copy of each shall be sent to the Registrar within fifteen days after the close of the co-operative year ending 30th June. After the Registrar has verified the statements and granted his audit certificate the society shall publish such of the prescribed statements as he may direct in the manner prescribed by him.

33. In the case of a dispute touching the business of the union between members or past members of the union, or persons claiming through a member or past member or between a member or past member or persons so claiming and the governing body, a reference in writing may be made by any party to the Registrar. Similarly, in the case of a dispute relating to a debt due to the union by a member or past member or persons claiming through a member or past member, a reference in writing may be made by either party to the Registrar. The Registrar shall have power, on receipt of such reference, either to decide the dispute himself or refer it to an arbitrator appointed by him or to several arbitrators of whom one shall be appointed by him and one other by each of the parties to the dispute. The decision or award of the Registrar or of the arbitrator or arbitrators, as the case may be, shall be final and it may be enforced in any one of these ways—

(*a*) by an application made to the Collector of the district through the Registrar of Co-operative Societies requesting that the amount due under the decision or award may be recovered in the same manner as arrears of land revenue;

(*b*) by an application to the civil court having jurisdiction over the subject-matter of the decision or award requesting that the court may enforce the decision or award as if it were a decree of the court; and

(*c*) by an application to the Registrar of the district, in which the cause of action arose, the decision or award may be enforced as provided in rule XXII of the rules framed under the Act.

NOTE.—" A member " in this by-law means " a society affiliated to the union."

BY-LAWS OF THE CO-OPERATIVE CENTRAL BANK, LIMITED, No. .

I.—General.

The Co-operative Central Bank, Limited, No. is registered as a co-operative society under Act VI of 1932. Its address shall for the present be post, taluk district. Its operations shall extend to the whole of the district. It may be referred to in these by-laws briefly as "the Central Bank."

Its objects shall be—

(1) Collection of funds for financing co-operative societies registered under Act X of 1904 or Act II of 1912 (India) or Madras Act VI of 1932;

(2) to develop, assist and co-ordinate the work of the affiliated supervising unions and secure for them financial help whenever necessary, and to arrange for the supervision of societies not affiliated to any supervising union; and for inspection of all societies and unions;

(3) to organize special types of societies in cases where this is not undertaken by the unions;

(4) to arrange for holding periodical co-operative conferences and for taking necessary action on the resolutions passed at such conference;

(5) to serve as the recognized exponent of non-official co-operative opinion in the area;

(6) to control the expenditure relating to the surplus funds of liquidated societies; and

(7) to undertake such other work as will promote the cause of co-operation.

The Bank may also carry on general business of banking not repugnant to the provisions of the Co-operative Societies Act and the rules framed thereunder.

2. The capital of the Central Bank shall, for the present, be Rs. made up of shares of Rs. each. Every co-operative society within the said district shall be eligible for admission and also any person over 18 years of age and of sound mind provided that not more than shares shall at any time be allotted to applicants other than societies.

No person shall be eligible for admission as a member of the Central Bank if he is an applicant to be adjudicated a bankrupt or an insolvent or is an uncertified bankrupt or undischarged insolvent. Any individual member of the Central Bank who applies

to be adjudicated or is adjudicated a bankrupt or an insolvent shall cease to be a member of the Bank.

3. Every member joining the Central Bank must take up at least one share. But no individual member can at any time hold shares exceeding Rs. 1,000 in face value. Every society shall if so required, take one share for every Rs. 1,000 of its maximum borrowing power as fixed in its by-laws. A society registered as a supervising union shall not be bound to take more than one share. The duty of admitting members and of allotting shares to them shall vest in the Board of Management, referred to in by-law 11 below who may reject any application without assigning any reason.

4. The liability of a member shall be limited to the share capital subscribed by such member.

5. No member shall be permitted to transfer any share held by him unless the transferee be a member or some person whom the Board of Management is willing to admit as a member and provided in any case that the transfer of a share shall not be operative unless and until it is sanctioned by the Board of Management. No member shall at any time be permitted to withdraw any share or shares held by him; provided that with the sanction of the Registrar any society member may withdraw the whole of its shares at any time for the purpose of affiliating itself to another Central Bank or when it is liquidated, and provided also that when there is any application for transfer of share from any individual member preference shall always be given to such application for transfer before allotment of new shares on application received therefor either from individuals or societies.

6. (1) If a member dies his membership shall *ipso facto* cease.

(2) (*a*) Every member of the Central Bank may nominate any person to succeed, in the event of his death, to his share or interest in the Central Bank. Such nomination shall, in the event of his death, be given effect to by the Central Bank provided that—

(i) the nomination was signed by the deceased in the presence of at least two witnesses attesting the same;

(ii) the nomination has been registered in the books of the Central Bank kept for the purpose; and

(iii) the person nominated be admitted by the Board of Management as a member of the Central Bank under by-law 3.

(*b*) In the event of there being no person nominated by the deceased member *who is qualified in accordance with the by-laws for membership of the society, the society shall transfer* the share or interest of the deceased member to *such person as may appear to the committee to be* the heir or legal representative of the deceased or to any person nominated by such nominee, heir or

legal representative within one month of the death of the deceased member, provided such heir or legal representative or nominee shall have been admitted by the committee as a member of the society under by-law 6.

(*c*) In the event of there being no person *qualified* to succeed under clause (*a*) or (*b*) of this by-law to the share or interest of a deceased member, the society shall pay to the nominee of the deceased or to the heir or legal representative as the case may be, a sum representing the deceased member's share or interest at the time of his death, ascertained in accordance with the by-laws of the society.

(3) Subject as aforesaid, the society may pay all other moneys due to the deceased member from the society, to the person nominated by him in accordance with clause (2) (*a*) of this by-law or to such person as may appear to the committee to be the heir or legal representative of the deceased member, as the case may be.

7. A past member shall be liable, as provided in by-law 4, for the debts due by the Central Bank as they existed on the date when he ceased to be a member for a period of two years from such date. The liability of a member who has transferred any share or shares shall continue for two years after the date of the transfer. The estate of a deceased member shall be liable, as provided in by-law 4, for the debts due by the Central Bank as they existed on the date of his decease for a period of two years after his decease.

II.—General body.

8. The general body of the Central Bank shall consist of the following members:—

(1) Individual members; and

(2) affiliated societies.

Each society being a member of the Central Bank shall at a general meeting appoint a delegate; vacancies among delegates shall be filled up in the same manner. A delegate ceasing to be a member of his society or whose delegation is withdrawn by the society or who is a defaulter in accordance with the by-laws of the society in respect of a loan taken by him in his own society shall cease to be its delegate. Every delegate shall hold office for a period of years or until his successor shall have been appointed provided that it shall be competent to any society at any time to remove its delegate and appoint another. Each member of the general body shall have only one vote.

9. The ultimate authority in all matters relating to the general administration of the Central Bank shall vest in the general body. The general body shall not however interfere with the actions of the Board of Management or the committee done

in the exercise of the powers conferred on them by the by-laws. A meeting of the general body of the Central Bank shall be convened by the Secretary in pursuance of

(a) a resolution by the Board of Management or the Executive Committee if such power shall have been delegated to it;

(b) a requisition signed by one-fifth of the number of members or by members whichever is less;

(c) a requisition by the Registrar of Co-operative Societies, Madras, within a month after the date of such requisition.

The following among other matters shall be dealt with by the general body:—

(1) Adoption of the annual administration report.

(2) Consideration of Registrar's notes of audit or inspection.

(3) Amendment or repeal of existing by-laws or the enactment of new by-laws.

(4) The election of members to the Board of Management and removal of any member thereof.

(5) Appeals from members from the orders of the Board of Management.

(6) Consideration of the budget.

10. The quorum for a meeting of the general body shall be . All questions before the meeting shall be decided by a majority of votes.

III.—Management.

11. The Management of the Central Bank shall vest in a Board consisting of:

(1) One representative to be elected by the general body of each local supervising union affiliated to the Central Bank from among the members of the governing body of such union,

(2) . . . representatives of individual shareholders to be elected by the full general body of the Central Bank from among such shareholders as are holding not less than shares or have invested in fixed deposits not less than Rs. in the Central Bank.

The proportion of the members of the Board representing share holding societies to individual members and the maximum strength of the Board of Management shall be in accordance with the orders of the Registrar on the subject.

An individual member of the Central Bank shall not be eligible for election or for continuance as a member of the Board of Management if he comes under the operation of Rule XXVII of the rules framed under the Madras Act VI of 1932.

The Board of Management may also add persons of experience in co-operation or banking to its members by co-optation.

12. The members of the Board shall hold office for a period of three years and until their successors are elected. All the members of the Board shall be elected at one and the same time for the specified period of three years. Any interim vacancy or any vacancy which has not been filled up at the time of the original election can only be filled up for the unexpired portion of the original period from among the governing body members of the unions in respect of which or from the individual shareholders in respect of whom the vacancy occurred. It shall be competent to any electorate to remove its representative sitting on the Board of Management at any time and elect another in his stead. The new representative so elected shall hold office only for the unexpired portion of the original period. Any representative of a union who ceases to be a member of the governing body of such union shall cease to be a member of the Board of Management of Central Bank.

The proceedings of the Board of Management shall not be invalidated on account of any vacancy or vacancies of the Board which remain unfilled.

Office-bearers.

13. The members of the Board shall elect from among themselves a President and a Vice-President and a Treasurer. The Board shall appoint a full-time paid Secretary without a seat on the Board. The President, or in his absence the Vice-President, shall preside at all meetings of the general body of the Central Bank or the Board of Management, or the Executive Committee. In the absence of both, a Chairman shall be elected from among those present. The presiding officer shall exercise an additional vote whenever the votes taken at a meeting on any question are equally divided. All remittances to the Central Bank shall be addressed either to the President or the Secretary. The President or Secretary may be invested with powers to operate upon any current account or accounts that may be opened in the name of the Central Bank.

Powers of the Board of Management.

14. The entire administration of the Central Bank shall vest in the Board of Management. The Board shall be competent to make subsidiary by-laws from time to time not inconsistent with the by-laws or the Co-operative Societies Act VI of 1932 (Madras) and the rules framed thereunder for the conduct of the business of the Central Bank. A copy of such subsidiary by-laws shall be furnished to the Registrar of Co-operative Societies for information.

Meetings of the Board.

15. Meetings of the Board of Management shall be convened by the Executive Committee once in a quarter or oftener if necessary for the conduct of the business of the Central Bank. The Executive Committee shall call for a meeting of the Board within a month after the requisition when members of the Board of Managment or the Registrar request for such a meeting in writing. The quorum for the meeting of the Board of Management shall be . All questions before the Board shall be decided by a majority of votes.

Executive Committee.

16. To facilitate the transaction of business, it shall be competent for the Board of Management to elect an Executive Committee consisting of the President, the Vice-President and three other members chosen from among themselves. The Board may delegate to this Executive Committee any of the powers conferred on them in these by-laws or withdraw all or any of the powers so delegated at their discretion. The Executive Committee shall hold office during the pleasure of the Board of Management which shall have power to remove the whole Committee or any member thereof including the President or Vice-President. The President shall convene the meeting of the Executive Committee once in a fortnight or oftener. He shall also convene a meeting within a week after the requisition in writing signed by not less than of its members or the Registrar stating the subject or subjects to be considered at the meeting. The quorum for the meeting of the Executive Committee shall be three. All questions shall be decided by a majority of votes. In case of urgency, papers may be circulated among the members of the Executive Committee and their decision may be obtained thereon. In case of circulation, the consent of at least members of the Committee shall be necessary. All business transacted by circulation shall be placed before the next meeting of the Executive Committee. A copy of the proceedings passed at a meeting of the Executive Committee held in a month as well as decisions arrived at by circulation of papers during that month shall be sent to each member of the Board of Management before the 15th of the succeeding month.

Notices for meeting and procedure.

17. It shall be the duty of the Secretary to send notices of meetings along with the agenda to the members of the general body, Board of Management or the Executive Committee as the case may be. The notices should be sent to the members at least 15 clear days before the meeting in the case of the general meetings, 7 days in the case of meetings of the Board of Management, and three days in the case of meetings of the Executive Committee. All notices for meetings and all other notices shall be

deemed sufficient and proper if left at the addresses given by the shareholders, it being their duty to keep the Bank informed of any change in their addresses.

Any subject of an urgent and important nature not included in the agenda, may with the leave of the house, be taken up for discussion. If leave is refused, the subject so brought up shall be deemed to be a subject for consideration at the next meeting.

Should a member of the Executive Committee including the President and the Vice-President or the Board of Management absent himself from three consecutive meetings of the body in which he serves he shall *ipso facto* cease to be a member of that body. The fact shall be reported by the Secretary at the next meeting of the body and it shall be open to that body to reinstate such a member. If the President or the Vice-President so loses his seat on the Executive Committee or the Board of Management and if he is not reinstated by the above bodies at their next meeting, he shall cease to be the President or the Vice-President, as the case may be, and the Board shall proceed to fill up the vacancy caused thereby.

IV.—Funds.

18. The Central Bank will ordinarily obtain funds from the following sources:—

(1) Share subscriptions.

(2) Deposits.

(3) Other borrowings.

(4) Entrance fees and miscellaneous receipts.

19A. The value of each individual share shall be paid in one lump sum on admission or in instalments. When paid in instalments Rs. shall be paid with the application, Rs. on allotment and the balance in calls of Rs. each, it being left to the discretion of the Board of Management when each such call shall be made, provided that the interval between two successive calls shall be at least three months. Share capital paid in advance shall be reckoned for the purpose of dividend. A member who elected to pay the share value in instalments may pay the whole or any portion of the balance at any stage in advance. A member shall be competent to exercise the rights of membership on payment of Rs. payable with application and on allotment.

19B. Any member not paying the instalment payable on allotment or a subsequent call within three months after notice of such call, shall pay the same with interest at 9 per cent per annum from the date of default until payment and if he continues as defaulter for another period of three months the Board of Management shall not permit him to enjoy the privileges of membership and may proceed to re-allot all shares held by him

to others under by-law 3 and when the value of such re-allotted shares is paid into the Central Bank the name of the defaulting member shall be removed from the books of the society and his share capital less any money due from him shall be refunded to him. It shall be competent to the Board of Management to decide whether the dividend should be paid to such defaulters on the share capital actually paid up from the date of default to date of repayment. Any loan outstanding against a member removed under this by-law shall become payable at once without regard for the period for which the loan was given.

20. The Board of Management may receive deposits or loans at their discretion either from members or from others and it shall be open to them to settle the terms on which deposits or loans shall be taken, provided that deposits from co-operative societies shall be received in preference to all other kinds of deposits. The reserve funds of co-operative societies shall be received as deposits. Interest on such deposits shall be per cent per annum.

20A. The Board of Management of the Bank may from time to time with the approval of the Registrar borrow money for the use of the Central Bank, the bond in each case being executed by the President or Vice-President and one other director.

21. Every member shall, on admission, pay an entrance fee of rupees per share. Every transferee of a share shall pay a like fee of rupees per share.

Explanation.—A nominee, heir or legal representative under by-law 6 is not a transferee liable for payment of entrance fee.

V.—Loans.

22. The funds of the Central Bank shall be primarily utilized for the purpose of granting loans to co-operative societies registered under India Act X of 1904, India Act II of 1912, or Madras Co-operative Societies Act VI of 1932. Loans may also be granted to depositors on the security of their deposits in the Central Bank not exceeding 90 per cent of the amount of such deposits. Loans may also be granted to members and non-members on the security of the debentures of the Madras Co-operative Land Mortgage Bank not exceeding 80 per cent of the market value of such debentures for periods not exceeding one year.

23. The Central Bank shall not lend to any society any sum which, with that society's other indebtedness, will exceed that society's maximum borrowing power as fixed from time to time in the by-laws of the society.

24. It shall be the duty of the Board of Management to deal with all applications for loans received from co-operative societies; to obtain from local unions and, where necessary, from the Registrar full information regarding such societies and to see

that loans are granted to them with due care and caution. The Board of Management shall settle all details in regard to the period of repayment of loans granted by them, the instalments of repayment, the rate of interest, etc. The rate of interest charged on loans shall not be less than $4\frac{1}{2}$ per cent per annum and not more than $6\frac{1}{2}$ per cent per annum, as may be decided upon from time to time by the Board of Management of the Central Bank, provided that on loans to non-credit societies which lend on the security of agricultural produce, the interest may be one per cent per annum less than that charged on loans to rural credit societies.

25. It shall be open to the borrower to repay a loan wholly or partially before the due date according to his convenience.

VI.—Inspection.

26. The Central Bank shall have the right to inspect societies which hold shares in it. The inspection may be done by deputing any member of its Board of Management or of its paid staff. Any member who is deputed from its paid staff shall have been certified by the Registrar to be fit for such work. The Central Bank shall have power to call for from societies or unions to which they are affiliated such statements and returns as are necessary to ascertain the financial condition of such societies and to ensure the safety of the sums lent to them.

VII.—Supervision Fund.

27. The Central Bank shall contribute to the supervision fund of the district at $6\frac{1}{4}$ per cent on the interest realized on all loans granted by it to co-operative societies. The amount so found due together with contributions from primary societies which the Central Bank shall receive in accordance with the audit certificates of primary societies shall form the supervision fund of the Central Bank. The Central Bank may also contribute to the supervision fund from out of its general funds or spend money towards the supervision of societies out of its general funds.

27A. *Supervision.*—It shall be the duty of the Board of Management to develop, assist and co-ordinate the work of local supervising unions. For this purpose it shall have the following powers:—

(1) to pass the budget of local supervising unions and make grants to the unions from the District Supervision fund or from its general funds;

(2) to arrange for the inspection of supervising unions;

(3) to inspect societies affiliated to local supervising unions. The Board shall not, however, interfere with the internal management of the governing body of any union or the panchayat of any affiliated society;

(4) to convene special meetings of the committee or of the general assemblies of affiliated unions and of societies and to address them, but not to vote at such meetings;

(5) to obtain and review the periodical reports on the working of such unions and of societies;

(6) to call for lists of defaulting borrowers in societies affiliated to a union either on its own motion or on the motion of the union concerned;

(7) to direct the societies concerned to take proper action and to take steps through the unions to see that such orders are carried out;

(8) to select and arrange for the training and examination of inspectors required by the Central Bank as well as supervisors required by the local supervising unions;

(9) to make subsidiary by-laws for regulating the work of inspectors and supervisors.

27B. The Board shall have power to employ the necessary staff of supervisors. There shall be two classes of supervisors; one working directly under the Central Bank, who shall be designated as inspectors, and the other under supervising unions. The supervisors shall be appointed in consultation with unions and shall work under the direct control of the supervising unions, who shall have power to censure, fine up to Rs. 5 or suspend them for a period not exceeding one month. In the case of suspension alone, an appeal may lie to the Board. The Board shall also arrange for the supervision of unlimited liability societies not affiliated to any local supervising union. They may also maintain one or more reserve supervisors who should be available for work under local supervising unions in leave vacancies or for other special work. The inspectors and supervisors shall be borne on a district cadre, the former shall be paid by the Central Bank from the District Supervision fund, while the supervisors shall be paid by the unions concerned from within the budget allotment made by the Central Bank. The Board shall have power to appoint or transfer inspectors and supervisors from one union to another or to fine or suspend them or dismiss them in consultation with the union.

VIII.—Profits.

28. The net profits of the Central Bank as declared by the Registrar every year shall be disposed of as shown below:—

(1) twenty-five per cent shall be carried to the credit of the reserve fund;

(2) out of the remainder, a dividend subject to a maximum of 9 per cent per annum on the paid-up value of each share may be paid to members proportionately to the amount of paid-up share capital held by each and also to the period during which the paid-up share capital was so held during the year;

(3) out of the remainder—

(a) a sum not exceeding $7\frac{1}{2}$ per cent of the net profits may be paid to a Common Good Fund to be utilized for any of the purposes mentioned in section 2 of the Charitable Endowments Act VI of 1890 (India), namely if the general body so wish;

(b) a sum not exceeding per cent of the profits may be carried to a building fund if the general body so wish.

(4) any profits not allotted in the manner aforesaid in any year shall be forthwith added to the reserve fund.

All undisbursable and indivisible profits shall be added to the reserve fund.

IX—Reserve Fund.

29. The reserve fund shall belong to the Central Bank as a whole and is intended to meet unforeseen losses. It shall be indivisible and no member shall have any claim to a share in it. It shall be invested in such manner as the Registrar of Co-operative Societies prescribes. It may be drawn upon with the special sanction of the Registrar to meet unforeseen losses.

(2) On the dissolution of the Central Bank the reserve fund together with other funds constituted by the Central Bank in accordance with its by-laws shall be applied by the liquidator to the discharge of such liabilities of the Central Bank, as may remain undischarged out of the assets of the Central Bank in the following order, viz.:—

(a) the debts of the Central Bank;
(b) the paid-up share capital; and
(c) dividend upon paid-up share capital at a rate not exceeding 9 per cent per annum for any period or periods for which no dividend has been paid.

(3) Any surplus funds remaining after the payments mentioned in clause (2) above shall be assigned by the Registrar to the reserve fund or funds of any other financing bank or banks to which the societies working in the area in which the dissolved Central Bank carried on its operations are affiliated or transferred. If there is no financing bank working in such area, the Registrar shall invest the amount on interest in the Madras Provincial Co-operative Bank, Ltd., Madras, until a new financing bank is formed in such area, in which case the funds shall be credited to the reserve fund of such financing bank.

X.—Miscellaneous.

30. All payments by societies to the Central Bank shall be credited in the following order:—

(1) to supervision fund,
(2) to fees, fines, etc.,

(3) to interest due,
(4) to principal due,
(5) to their reserve fund,
(6) to share capital instalments due,
(7) to advance payments of interest, and
(8) to advance payments of principal.

31. Should any doubt arise either in the construction of Madras Act VI of 1932, or of these by-laws, or in regard to any other matter more especially in regard to the supervision and audit of societies it shall be the duty of the Board of Management or of the general body to obtain the advice of the Registrar and to abide by it.

32. No amendment to, or alteration in, or cancellation of a by-law and no enactment of a new by-law shall be made except at a general meeting of the members or shall take effect until it shall have been approved by the Registrar.

33. The Central Bank shall prepare annually in such form as may be prescribed by the Registrar, (*a*) a statement showing the receipts and disbursements for the year, (*b*) a profit and loss account, (*c*) a balance sheet, and (*d*) such other statements as may be prescribed by the Registrar. These statements shall be made up to 30th June and a copy of each shall be sent to the Registrar within fifteen days after the close of the co-operative year ending 30th June. After the Registrar has verified the statements and granted his audit certificate the Central Bank shall publish such of the prescribed statements as he may direct in the manner prescribed by him.

34. If any dispute touching the business of the Central Bank (other than a dispute regarding disciplinary action taken by the Central Bank or its committee against a paid servant of the Central Bank) arises:—

(*a*) among members, past members, and persons claiming through members, past members, and deceased members, or

(*b*) between a member, past member, or person claiming through a member, past member or deceased member and the Central Bank, its committee or any officer, agent or servant of the Central Bank, or

(*c*) between the Central Bank or its committee and any past committee, any officer, agent, or servant, or any past officer, past agent or past servant or the nominee, heirs or legal representatives of any deceased officer, deceased agent or deceased servant of the Central Bank, or

(*d*) between the Central Bank and any other registered society.

Such dispute shall be referred in writing by either party to the Registrar.

The Registrar shall have powers on receipt of such reference either to decide the dispute himself or refer it to an arbitrator appointed by him or to several arbitrators of whom one shall be appointed by him and one other by each of the parties to the dispute. The decision or award of the Registrar, arbitrator or arbitrators, as the case may be, shall be final subject to the provisions of section 51 (5) of the Madras Co-operative Societies Act VI of 1932, and it shall be enforced in any of these ways:—

(*a*) by an application made to the Collector of the district through the Registrar requesting that the amount due under the decision or award may be recovered in the same manner as arrears of land revenue, or

(*b*) by an application to the civil court having jurisdiction over the subject-matter of the decision or award requesting that the Court may enforce the decision or award as if it were a decree of the court, or

(*c*) by an application to the Registrar of the district under section 57-A of the Madras Co-operative Societies Act VI of 1932.

NOTE.—'Member' in the by-law includes 'a society' affiliated to the Central Bank.

35. Should there be a conflict between the by-laws of the Central Bank and the by-laws of an affiliated society or union, the Registrar shall be consulted and his decision shall be followed as final.

36. The Central Bank shall receive the surplus funds of cancelled societies within its area which are intended to be applied to any local object of public utility under the provisions of rule XIV (3) (*a*) (1) under the Madras Co-operative Societies Act VI of 1932, and shall keep such investments until they are disbursed for such object. It shall be the duty of the Board of Management of the Central Bank to see that any amount withdrawn is spent properly and to allow withdrawal of funds in instalments as the work for which they are intended progresses to its satisfaction.

BY-LAWS OF THE MADRAS CO-OPERATIVE CENTRAL LAND MORTGAGE BANK, LIMITED.

The Madras Co-operative Central Land Mortgage Bank, Limited, No. X-59, is registred as a Co-operative Society under Act II of 1912. The registered office of the Bank shall be in the City of Madras. Its operations may extend to the whole of the Madras Presidency.

2. In these by-laws,

(*a*) " Act " means the Madras Co-operative Land Mortgage Banks Act, X of 1934.

(*b*) " The Bank " means the Madras Co-operative Central Land Mortgage Bank, Limited.

(*c*) " Member " means an " individual " or a " mortgage bank " admitted as member under these by-laws.

(*d*) The expressions " Board," " Mortgage Bank," " Registrar " and " Trustee " shall have the same meaning assigned to them in these by-laws as in the Act.

Objects.

3. The object of the Bank shall be primarily to finance mortgage banks.

4. In order to fulfil such object it shall have power—

(*a*) to float debentures on the security of its assets and of land mortgages and other assets transferred to it by mortgage banks for such period and on such conditions as may be laid down by the provisions of the Act and the Regulations made thereunder by the Board.

(*b*) to receive deposits;

(*c*) to grant loans to mortgage banks on such terms consistent with their by-laws as the Board shall decide;

(*d*) to acquire such immovable properties and construct such buildings as it may consider necessary for the proper conduct of its business;

(*e*) to appoint what staff it considers necessary to conduct the affairs of the Bank;

(*f*) to inspect the mortgage banks and the lands mortgaged to them and to appoint the necessary staff for the purpose.

Capital and shares.

5. (*a*) The capital of the Bank shall be Rs. 10,00,000 made up of 10,000 shares of Rs. 100 each. Every mortgage bank in the Presidency shall be eligible for admission as a member. Any person over 18 years of age who is competent to contract shall also be eligible for admission.

(*b*) Notwithstanding anything contained in these by-laws, the Government of Madras shall be eligible to take shares in the Bank under section 31 of the Madras Co-operative Societies Act VI of 1932. Such shares may be transferred to such person as they may deem fit from time to time and such person shall have the same liabilities, privileges and rights as an individual member of the Bank.

6. (*a*) Every member joining the Bank must take at least one share, but no individual member can, at any time, hold shares exceeding Rs. 2,000 of face value. The duty of admitting members and allotting shares to them shall vest in the Board and they may reject any application without assigning any reason.

(*b*) Every member shall pay an entrance fee of Re. 1 per share allotted to him subject to a maximum of Rs. 5, provided however, that a mortgage bank shall pay a fee of Re. 1 for each allotment of shares whatever the amount of shares may be.

(*c*) The value of each share shall be paid in one lump sum on allotment.

(*d*) No member shall exercise the rights of a member unless and until he shall have made the payments to the Bank required by these by-laws.

7. (*a*) The liability of a member shall be limited to the share capital subscribed by such member.

(*b*) A certificate of title to shares shall be issued by the Board under the common seal of the Bank and shall bear the signatures of two directors and the Secretary of the Bank or such other officer as may be appointed by the Board.

(*c*) The Board shall not be under any obligation to enquire into the title of the holder of any share or to take notice of any trusts affecting any moneys secured by his certificate or certificates or be affected by any notice, whether express or implied, of the right, title or claim of any other person to such certificate.

(*d*) If any certificate be worn out or defaced, then, upon production thereof to the Board, it may order the same to be cancelled, and may issue a new certificate in lieu thereof; and if any certificate be lost or destroyed, then, upon proof thereof to the satisfaction of the Board, and on such indemnity as the Board deem adequate being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. For every new certificate issued under this by-law, such fee not exceeding Re. 1 as the Board may determine shall be paid to the Bank.

Transfer of shares.

8. (*a*) No member shall at any time be permitted to withdraw any share or shares held by him.

(*b*) No member shall be permitted to transfer any share held by him unless the transferee be a member or some person whom

the Board is willing to admit as a member and provided in any case that the transfer of a share shall not be operative, unless and until it is sanctioned by the Board. A fee not exceeding Re. 1 shall be charged for each transfer and shall, if required by the Board, be paid before the registration thereof subject to a maximum fee of Rs. 5 at a time.

(*c*) No transfer may be made to a minor or a person of unsound mind.

(*d*) Every instrument of transfer shall be left at the office of the Bank for registration, accompanied by the certificate of the shares to be transferred, and such other evidence as the Bank may require to prove the title of the transferor or his right to transfer the shares.

(*e*) All instruments of transfer which shall be registered shall be retained by the Bank, but any instrument of transfer which the Directors may decline to register shall on demand be returned to the person depositing the same.

(*f*) Any member transferring some of his shares only may be granted a new certificate for the remainder of his shares on payment of the fee mentioned in this by-law provided that such member shall return the old certificate to the Bank.

(*g*) The transfer books and the register of members may be closed during such time as the Board thinks fit, not exceeding on the whole thirty days in each year, and such books shall be closed during the fourteen days immediately preceding the General meeting in each year.

9. (1) If a member dies his membership shall *ipso facto* cease,

(2) (*a*) Every member of the Bank may nominate any person to succeed, in the event of his death, to his share or interest in the Bank. Such nomination shall, in the event of his death, be given effect to by the Bank provided that—

(i) the nomination was signed by the deceased in the presence of at least two witnesses attesting the same;

(ii) the nomination has been registered in the books of the Bank kept for the purpose;

(iii) the person nominated shall have been admitted by the Board as a member of the Bank under by-law 6.

(*b*) In the event of there being no person nominated by the deceased and entitled to succeed to his share or interest in the Bank, the heir or the legal representative of the deceased or any person nominated by such heir or legal representative within one month of the death of the deceased member shall be entitled to succeed thereto provided such heir or legal representative or his nominee shall have been admitted by the Board as a member of the Bank under by-law 6. Where there are more than one heir or legal representative, they shall choose one of themselves or nominate another person to succeed to the share of the deceased member subject to the conditions referred to above.

(*c*) In the event of the Board not admitting a person under clause (*a*) or (*b*) of this by-law as a member of the Bank under by-law 6, or where the nominee, heir or legal representative is not willing to become a member, the Bank shall pay to the nominee of the deceased or to his heir or legal representative, as the case may be, a sum representing the share capital contributed by the deceased member and the dividend thereon, if any.

10. A past member shall be liable as provided in by-law 7 for the debts due by the Bank as they existed on the date when he ceased to be a member for a period of two years from such date. The estate of a deceased member shall be liable as provided in by-law 7 for the debts due by the Bank as they existed on the date of his decease for a period of two years after his decease.

Disqualification of memebrs.

11. Membership of the Bank shall cease on

(1) removal under by-law 12,

(2) transfer of the shares held by the member,

(3) in the case of a mortgage bank, when it is dissolved by the Registrar.

12. (1) A member may be removed by the vote of not less than two-thirds of the members present and voting at a general meeting, on a motion to the effect that in the opinion of the meeting, such member has been convicted of an offence involving moral turpitude.

(2) The decision of the meeting shall be final and not liable to be re-opened at any subsequent general meeting.

(3) The Board shall give fifteen days' written notice to the member concerned of the motion to remove him.

(4) Any member removed under this by-law may transfer his share to a member or to a person whom the Board is willing to admit as a member. If he does not transfer his share within the time specified by the Board, the Bank shall pay to him the share capital paid by him.

Funds.

13. The Bank will ordinarily obtain funds from the following sources:—

(i) Share subscriptions;

(ii) Debentures;

(iii) Entrance fees and miscellaneous fees;

(iv) Deposits.

(v) Other borrowings.

14. The funds of the Bank shall be primarily utilized for the purpose of granting loans to mortgage banks.

Debentures.

15. With the previous sanction of the Trustee the Board may issue debentures of one or more denominations for such period not exceeding 30 years as it may deem expedient on the security of the mortgages and other assets transferred by the mortgage banks to the Bank and of the other properties of the Bank. The debentures shall bear such interest as may be fixed by the Board not exceeding 5 per cent per annum payable half yearly.

16. The total borrowings of the Bank by the issue of debentures shall not exceed at any time 25 times the paid-up share capital plus reserve fund.

17. (*a*) The debentures may not be redeemed for such periods as may be fixed by the Board from the date of issue.

(*b*) The Board may also issue debentures reserving to itself the right to call in any debentures at any time in advance of the period fixed for redemption by giving not less than three months' notice to the debenture-holder. No redemption of such debentures before the due date shall be made by the Board without the previous permission of the Trustee. The Board shall, whenever called upon by the Trustee, at any time before the expiry of the period fixed for the debentures, redeem any or all of the debentures after giving the notice prescribed in this by-law.

18. No debenture-holder can claim the repayment of the value of his debenture before the expiry of the period for which the debenture was issued.

19. Every debenture-holder whose debenture is redeemed on notice under by-law 17 shall be paid the sum for which the debenture was issued together with all interest due thereon up to the date of redemption. Debentures in respect of which notice of redemption has been given to the holders must be given up on the expiry of the term mentioned in the notice. If the debentures are not handed in until after expiry of the term fixed in the notice, the holder shall have no claim upon the Bank for interest accruing after the expiry of the said term.

20. The Trustee shall have power to require the Bank to credit to a separate account in such bank as may be approved by the Registrar, which shall be called the 'Debenture Redemption Fund,' the whole or any part of recoveries made from members of the Bank towards principal under any of the mortgages. The Bank may also out of this fund purchase its bonds from debenture-holders under the general directions of the trustee.

21. The debentures shall be signed and executed by at least three members of the Board of whom the President shall be one. The Bank shall have a special seal to be used for debentures and the seal shall remain in the custody of the President.

The Board of Directors.

22. (*a*) The executive management of the Bank shall vest in a Board consisting of fifteen members of whom the Registrar of Co-operative Societies shall ex-officio be one. Six members of the Board shall be elected from among the individual members and six members from among the representatives of the share-holding mortgage banks, and two shall be nominated by the Registrar with the approval of the Government. One of the Registrar's nominees shall be from among the individual members.

(*b*) No member shall be qualified for election to the Board if he

(1) has been adjudged an insolvent, or
(2) has compounded with his creditors, or
(3) is of unsound mind, or
(4) has been convicted of an offence involving moral turpitude, or
(5) is concerned in the profits of any contract made by the Bank.

(*c*) On the day fixed for the meeting of the general body, and after the commencement of the proceedings, the individual members and the representative of the share-holding mortgage banks shall meet separately for the purpose of such election, and the President, or in his absence the Vice-President, shall preside at such meetings and conduct such elections. The time and place for the elections shall be fixed by the President. For the purpose of elections to the Board under this by-law the rule of 'one man, one vote' shall apply.

(*d*) If the President or the Vice-President is unable to preside, the members present shall elect a Chairman to conduct the election.

(*e*) The elected members of the Board shall hold office for a period of three years provided that it shall be competent to the general body to remove an elected member of the Board at any time and elect a successor for the unexpired period of his tenure of office. Retiring members of the Board shall be eligible for election. The nominated members shall hold the office for such period as the Registrar may fix from time to time provided that the Registrar may terminate the nomination at any time and nominate another. The elected members of the Board shall continue in office until their successors are elected and assume office.

(*f*) Should a vacancy occur in the elective seats during the period of the said three years, it shall be filled up by the remaining members of the Board until the next annual general meeting when it shall be filled by election.

23. A member of the Board shall cease to hold office,—
(*a*) if he becomes disqualified under by-law 22 (*b*);
(*b*) if he gives the Board notice in writing that he resigns the office;

(*c*) if he absents himself from four consecutive meetings of the Board, provided that a member ceasing to hold office under this clause may be reinstated by the Board.

24. The members of the Board shall elect from among themselves a President, a Vice-President and a Treasurer.

25. In the event of a vacancy in the office of the President, either by resignation or death, the Vice-President shall discharge all the duties of the President till another President is elected by the Board.

26. There shall be at least three meetings of the Board every year. The President shall, upon a written requisition of at least five members of the Board, call a meeting of the Board.

Powers of the Board.

27. All questions before the Board shall be decided by a majority of votes. Should there by any equality of votes, the President, or the Vice-President, if he presides, or other presiding member shall have a casting vote. The quorum for the meeting of the Board shall be seven. No member of the Board shall be present at a meeting of the Board when any matter in which he is personally interested is being discussed.

Subject to the approval of the Registrar, the Board shall appoint a Secretary who shall have no seat on the Board. Subject to the approval of the Board the President shall have power to suspend the Secretary and with the previous approval of the Board he shall have the power to dismiss him. The Board may fix the emoluments and conditions of service of the Secretary.

28. The Board shall settle all details in regard to the period of repayment of loans granted by them, the instalment for repayment, the rate of interest, the penal interest to be charged on overdue instalments, etc., provided that the rate of interest charged on loans shall not exceed 7 per cent per annum and the mode of repayment shall be the equated system, or by equal annual instalments of principal, interest being calculated on the daily balance of principal outstanding from time to time. The Board shall also have the power of reducing the rates of interest on loans granted by it for such periods and subject to such conditions as it may deem fit.

29. Subject to the control of the trustee the Board shall have power

(*a*) to invest the money at its credit in any investment or deposit authorized by section 34 of the Madras Co-operative Societies Act (Act VI of 1932) or in other securities approved by the Registrar; and

(b) to proceed against the mortgage banks or the mortgagors or against both, in case of default of payment of moneys due to the Bank; and

(c) to exercise any of the powers under sections 9, 13, and 24 of the Act.

30. (a) The Board may borrow money for the purposes of the Bank on such terms as it may deem expedient.

(b) It shall be the duty of the Board to maintain such accounts and registers as are prescribed by the rules under the Madras Co-operative Societies Act, VI of 1932, and by the Registrar from time to time, to place before a general meeting of the members, the Registrar's notes of audit or inspection, to correspond with the Registrar and to do all other business relating to the Bank.

31. The Board shall have power to prescribe from time to time the scale of office establishment and to incur such expenditure as may be necessary for the management of the Bank with reference to the scale and within the budget allotment sanctioned by the general body for each year.

32. The Board shall be competent to fix the amount and nature of the security, if any, to be given by the Secretary and the members of the office establishment.

33. The services of the members of the Board and of the Executive Committee shall be gratuitous. They shall be entitled to such travelling allowances and sitting fees as may be fixed from time to time by the general body.

34. It shall be competent to the Board to frame subsidiary by-laws for the conduct of the business of the Bank, the Board and also of the Executive Committee, consistent with the Act, and the Madras Co-operative Societies Act, VI of 1932, the rules framed thereunder and these by-laws. Such subsidiary by-laws shall be entered in the minutes book of the Bank and they shall be reported to the Registrar of Co-operative Societies for approval.

35. It shall be competent to the Board to delegate all or any of its powers to the Executive Committee from time to time.

The Executive Committee.

36. The entire administration of the Bank shall vest in the Board and, subject to the control of and delegation from the Board, in an Executive Committee consisting of six members. The President, Vice-President and Treasurer, shall be ex-officio members of the Executive Committee. The Board shall elect to the Committee at least two members from among themselves representing the mortgage banks. The Registrar shall also be an ex-officio member of the Executive Committee. Where neither

of the Registrar's nominees is on the Executive Committee ex-officio, the Registrar shall have the power of nominating one of them as a member on the Executive Committee in which case the strength of the Executive Committee shall be seven.

37. The mmebers of the Executive Committee shall hold office for the full term for which they are members of the Board or till their successors are appointed. In the case of any interim vacancy occurring among the elected members of the Executive Committee, the other members of the Committee shall fill up the same for the remaining portion of the period from among the members of the Board qualified to serve on the Executive Committee under these by-laws.

38. No decision of the Executive Committee shall be valid unless it is assented to at least by three members thereof.

39. It shall be the duty of the Executive Committee to deal with all applications for loans received from mortgage banks, to obtain from the Registrar full information regarding such banks and to see that loans are granted to them with due care and caution.

40. A mortgage bank which has taken a loan from the bank shall repay the amount together with the interest due thereon either by equated annual instalment or at its option in annual instalments together with interest due on the amount outstanding from time to time. After exercising its option, a mortgage bank shall not ordinarily be allowed to change its method of repayment. Nothing however shall prevent or debar a mortgage bank from repaying at any time a larger sum than the annual instalment or from discharging the whole in a single payment.

Payments made before the due date shall be dealt with as follows:—

Where a mortgage bank pays any sum before the due date, it shall be credited on the due date for the next instalment and till such credit is made, interest at the rate which the loan carries shall be paid such amount. After making such credit, the balance, if any, shall be applied for the payment of the principal amount of as many future instalments as it will cover, the corresponding interest included in such instalment or instalments not being charged. If there is any further balance, it shall be held to its credit till the due date for the next instalment, interest being paid, meanwhile, at the rate which the loan carries. Notwithstanding any advance payment or payments credited as aforesaid towards principal, interest on the outstanding amount of the principal after giving credit to the payments as aforesaid shall be paid regularly on the due dates of the instalments in respect of which the payment of the principal amount has been credited as above: provided,

however, that where the advance payment made discharges the amount of the loan together with interest accrued up to the date of payment the adjustment shall, notwithstanding anything contained above, be made forthwith and the loan cleared.

41. When a member from whom money is due pays any sum, it shall be appropriated in the following order:—

Firstly to fees, fines, postal registration and other miscellaneous charges due by the member,

Secondly to interest, and

Thirdly to principal.

42. The Executive Committee may delegate any of its powers to the President or the Vice-President and may withdraw such powers when it deems it expedient to do so.

Officers of the Bank.

43. Subject to such resolutions as the Board may from time to time pass, the several officers of the Bank shall have the powers mentioned below:—

(*a*) The President shall have a general control over all the affairs of the Bank. He shall also have power to appoint the members of the establishment as well as to fine, suspend or dismiss them subject in the last two cases to the approval of the Board.

(*b*) The Secretary shall be responsible for the executive administration of the Bank subject to the control of the President and may incur petty contingent expenditure subject to a maximum of Rs. 5 for any item.

(*c*) The Secretary shall be the officer to sue or be sued on behalf of the Bank and all bonds in favour of the Bank shall be in the name of the Secretary. All bonds by the Bank except those for moneys borrowed shall be executed by the Secretary.

(*d*) The Treasurer shall have custody of all the properties of the Bank. The Treasurer and in his absence the President, the Vice-President or any other person appointed by him shall authorize disbursements from time to time. correctness.

44. The Secretary, and to meet any temporary emergency any other officer of the Bank, with the authorization of the President, shall have power for and on behalf of the Bank to operate on the accounts, to endorse and transfer promissory notes, Government and other securities standing in the name of, or held by the Bank, and to sign, endorse and negotiate cheques and other negotiable instruments and to sign all receipts and all accounts and other documents (except debentures) connected with the business of the

Bank. The cash balance at the close of each day shall be taken charge of by the person appointed by the President for the purpose.

General meetings.

45. The general body of the Bank shall consist of the following members:—

(i) Ex-officio and nominated members of the Board,

(ii) Individual members, and

(iii) delegates representing mortgage banks.

Each mortgage bank, being a member of the Bank, shall at its general meeting appoint a delegate. Vacancies among delegates shall be filled up in the same manner. A delegate ceasing to be a member of his Bank shall cease to be its delegate. Every delegate shall hold office for a period of three years or until his successor has been appointed, provided that it shall be competent to any Bank at any time to remove its delegate and appoint another.

46. The ultimate authority in all matters relating to the administration of the Bank shall be the general body of members who shall meet from time to time and at least once a year to conduct the work of the Bank. The following among other matters, shall be dealt with by the general body:—

(i) the election of the members of the Board and their removal;

(ii) the annual report of the Bank;

(iii) the Registrar's annual audit certificate;

(iv) amendments to by-laws;

(v) budget for the year;

(vi) the removal of a member under by-law 12;

(vii) the consideration of any complaint which any member may prefer against the Board; and

(viii) the returns that may be prescribed by the Local Government.

47. A meeting of the general body of the members may be convened whenever necessary by the Board and shall be so convened by the Board at the request of fifteen or more members or at the instance of the Registrar.

48. The quorum for a meeting of the general body shall be twenty-five or one-fourth of the total number or members on the list at the time whichever is less.

49. The President, when present, and in his absence the Vice-President, shall preside at the meetings of the general body. In the absence of both, the members present may choose a Chairman

from their number to preside at the meeting. All questions shall be decided by a majority of votes of the members present and voting. When votes are equal, the Chairman of the meeting shall have a casting vote.

If a poll is demanded as soon as the decision is announced, a poll shall be taken in the following manner:—

Votes shall be taken separately of the individuals and the representatives of the mortgage banks. If there is a majority of both for any proposition it will be considered as passed. If the majorities of the two bodies differ and if the majority of the mortgage banks representatives present and voting amount to three-fourths of their number, the proposition will be considered as passed. Otherwise it will be considered as lost.

50. Fifteen clear days' notice shall be given to members for a meeting of the general body. At least five days' clear notice shall be given of a resolution or any amendment of a by-law.

51. No amendment to the by-laws shall be made except at the general meeting of the members or shall take effect until it shall have been registered by the Registrar.

Profits.

52. The net profits of the Bank as declared by the Registrar every year shall be disposed of as shown below:—

(i) Not less than 25 per cent shall be carried to the credit of the reserve fund;

(ii) Out of the remainder, a dividend subject to a maximum of 7 per cent per annum on the paid-up value of each share may be paid to members proportionately to the amount of paid-up share capital held by each and also to the period during which the paid-up share capital was so held during the year;

(iii) Out of the balance shall be paid the contribution to the Government for the cost of the outdoor staff that may be agreed upon;

(iv) Any balance remaining may be allotted to any or all of the following:—

(*a*) Dividend Equalization Fund,

(*b*) Common Good Fund,

(*c*) Propaganda Fund: and

(*d*) Building Fund.

(v) Unappropriated balance, if any, shall be added to the Reserve Fund.

Miscellaneous.

53. The Board shall prepare annually in such form as may be prescribed by the Registrar—

(*a*) a statement showing the receipts and disbursements for the year;

(*b*) a profit and loss account;

(*c*) a balance sheet; and

(*d*) such other statements as may be prescribed by the Registrar.

These statements shall be made up to 30th June and a copy of each shall be sent to the Registrar within fifteen days after the close of the co-operative year ending 30th June. After the Registrar has verified the statements and granted his audit certificate, the Bank shall publish such of the prescribed statements as he may direct in the manner prescribed by him.

54. Should any doubt arise as to the construction or meaning of the provisions of the Madras Co-operative Societies Act, VI of 1932 or the Land Mortgage Banks Act, X of 1934 or of any by-law of the Bank or as to the validity or effect of the proceedings of a meeting of the Board or the general body, the Board shall refer the same to the Registrar, and his decision shall be final.

55. All notices of meetings and all other notices shall be deemed sufficient and proper if left at or posted to the address given by the shareholders, depositors, and other constituents of the Bank, it being their duty to keep the Bank informed of any change of address.

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REGISTERS AND FORMS.

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LIST OF ACCOUNT BOOKS MAINTAINED BY UNLIMITED LIABILITY SOCIETIES.

1. *Minute Book.*

In this book copies of (*a*) application for the registration of a society, (*b*) the by-laws of the society as approved by the Registrar, and (*c*) the certificate of registration from the Registrar will be entered first and the seal of the Registrar affixed to it. The resolutions of the general meetings and of the panchayat will thereafter be entered as they are passed. All meetings should be numbered, the general meetings bearing one set of serial numbers and the panchayat meetings another: similarly, the general resolutions and the panchayat resolutions should be numbered separately. The numbers should be consecutive for the co-operative year commencing on 1st July and ending on 30th June following. In the case of a general meeting, the date and place of the meeting should be first entered in the minute book. Then the name of the President if present with his designation as well as the names of all the members present should be written one below the other. If the President is not present, the names of all the members should be entered one below the other and then the name of the person who presided over the meeting should be given. The signatures of the members present should be taken against their names at the commencement of the meeting. All resolutions should be entered consecutively and numbered and the minutes of proceedings signed by the president or the presiding member.

In the case of panchayat meetings, the date and place of the meeting should first be entered and then the resolutions in order. Lastly the signatures of all the panchayat members present should be obtained. Each subject should be dealt with in a separate resolution and when the subject-matter is the same, the resolution should be distinct if the persons affected are different.

Consecutive numbers to the resolutions and meetings should cease on the 30th June of every year. The object in giving consecutive numbers to the meetings and resolutions is to see at a glance the number of general meetings and panchayat meetings held and the number of general and panchayat resolutions passed in any co-operative year ending 30th June.

2. *Share Application Register.*

A share application register is maintained where it is found difficult for every villager desirous of becoming a member of the society to write out his application for membership. The particulars required for this register should be obtained by the President or the Secretary and attested by the applicant. Such entries in the register are treated as applications.

On the application in person of all persons desirous of becoming members, excluding those who have joined in the application for registration of the society, the President or the Secretary shall fill in columns 1 to 5 and obtain the signatures of applicants in column 6. Each line will contain the particulars of each individual and will be numbered consecutively. The applicant should pay in advance the share capital and entrance fees on the shares he applies for and the amount credited in the day-book. If his application is rejected or if fewer shares are allotted than those applied for, the money should be refunded and the amount debited in the day-book. No application should be considered without prepayment of share capital and entrance fees. This register will then be placed before the panchayat members in the next panchayat meeting. The respective decision of the panchayat should be entered against each individual in column 7.

Share Application Register.

1. Serial number.	
2. Date of application.	
3. (*a*) Name of the applicant. (*b*) Father's name. (*c*) Age. (*d*) Caste or tribe. (*e*) Profession.	
4. Place of residence.	
5. Number of shares desired.	
6. Signature or mark of the applicant.	
7. Resolution number of the panchayat.	
8. Number of shares allotted.	
9. Number and date of resolution.	
10. Initials of the President or Secretary.	
11. Remarks.	

3. *Admission Book.*

Serial number.	Date of admission.	Number of resolution of the panchayat.	Full name of member with father's name.	Address.	Occupation.	Number of shares taken.	Amount payable as share capital (value of shares taken).	Demand.		Collection.		Balance.	Outstanding to the credit of the member.	Entrance fees collected.	Extent and nature of liability of the member to the debts of the society besides the share capital paid.
								Date.	Amount.	Date.	Amount.	Amount.			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)

Signature of the member (when the member cannot sign, two witnesses should attest his thumb impression or other mark).	Full name and address of persons nominated by the member and recorded in the books of the society.	Date of cessation of membership.	Secretary's initials.	Auditor's initials.	Remarks.	Repayments by the society.			Resolution number of the panchayat.	Signature or thumb impression of payee; if a marksman, attention of two witnesses to be taken.	Balance.		Secretary's initials.	Auditor's initials.	Remarks.
						Date.	Number of shares refunded.	Share capital amount refunded.			Number of shares.	Amount.			
(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)

Admission Book.—One page should be allotted to each member. If a member is permitted to increase the number of shares held by him, all the particulars should be entered in the original page below the line in which the previous particulars are and the signature or the mark attested by two witnesses should be obtained against the particulars. The serial number given against the name of a member will be the number of that member. Column (2) shows the date of the resolution by which the panchayat admitted the member. Column (4) should show the member's name and father's name. Column (5) should show the name of the member's village and in towns the name of his street and the number of his house. Column (6) should show his chief occupation when he has more than one. Column (19) shows the date of expulsion, death or resignation of a member whose name should be cancelled in ink.

4. *Day Book.*

Receipts.

Year, month and date.	General number.	Name of remitter.	Particulars of receipt (with number of resolution of the panchayat).	Receipt number.	General ledger folio.	Amount received.		Total.	Remarks.
						In cash.	By adjustment.		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

Expenditure.

Year, month and date.	General number.	Name of payee.	Particulars of payment (with resolution number of the panchayat).	Voucher number.	General ledger folio.	Amount paid.		Total.	Remarks.
						In cash.	By adjustment.		
(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)

Day Book.—This is an important book. In this should be entered all receipts and expenditure as they occur every day. They should be totalled on the days on which there are transactions and the balance struck. The balance should be entered in figures as well as in words and should be signed by the Secretary and the Treasurer. The Secretary is responsible for the correctness of the accounts and the Treasurer for the cash. All contingent expenditure should be supported by vouchers which should be separately filed in the voucher file. In the case of other expenditure such as loans to members, repayment of deposits, payment of interest on loans due by the society, the transaction should be entered in the day book and the amount written in words in the next line. This entry shall be signed by the payee with the word "received" written above his signature. If the payee cannot sign, he should affix his mark which should be attested by at least one witness. In all transactions, the serial number of the member should be quoted. In the case of loans disbursed in the presence of Sub-Registrars, mere entry in the day book is enough, the fact of payment having been made in the Sub-Registrar's presence being specified in the bond. But in all other cases the signature of the payee is indispensable. When the society remits the loan amount or the interest due thereon by post a receipt should be obtained and filed in the voucher file. As far as possible aquittances must be obtained in the day book itself and when this is not possible, the payments should be supported by vouchers.

5. *Receipt Book.*

This book contains receipt forms in duplicate to be issued for all moneys received by the society. Both the forms should be filled in and one of them issued to the remitter. The counterfoils will be kept intact in the book and will be checked with the entries in the day-book.

Receipt issued by Co-operative Society, No.

No.

1. General number and name of the person paying the money.
2. Amount paid (in words).
3. Particulars of payment.*

Total ..

4. Date of payment.

Panchayat member. *Secretary.*

Clerk.

Receipt issued by Co-operative Society, No.

No.

1. General number and name of the person paying the money.
2. Amount paid (in words).
3. Particulars of payment.*

Total ..

4. Date of payment.

Panchayat member. *Secretary.*

Clerk.

* Share subscriptions.
Entrance fees.
Savings deposit to account No.
Provident deposit.
Loan principal to account No.
Interest to account No.
Fixed deposit for years or months at per cent per annum.
Other items.

} To be printed if societies so wish.

6. *Loan Application Register.*

Number and name of member.	Date of loan application.	Purpose of loan.	Period of repayment.	Amount of loan.	On what security.	Signature of applicant.	Resolution of the panchayat.	Amount of loan sanctioned.	Number and date of resolution.	Initials of the President.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)

Loan Application Register.—As in rural areas, it might be inconvenient for members in need of loans to submit loan applications in writing, a loan application register may be maintained by the society. All particulars should be entered by the President or the Secretary and the signature of the applicant obtained. This itself may be treated as a loan application.

On any member applying for a loan in person, the President or the Secretary shall fill in columns (1) to (8) and obtain the signature of the applicant in column (7). Particulars for each applicant should be entered in a separate line. The purpose of the loan stated in column (3) should be one of those enumerated in the by-laws of the society. Full particulars should be given in column (6) of the security on which loans are granted. Such brief details as "house," "land," or "suretyship" are insufficient. In the case of loans on the mortgage of lands the name of the village, the survey number and its subdivision letter should be given. In the case of house mortgage the boundaries and other particulars should be given. In the case of suretyship loan the number and name of the member standing surety should be given. The register should be placed before the panchayatdars at the next panchayat meeting. The encumbrance certificate may be applied for from the Sub-Registar if necessary.

7. *Loan Ledger.*

1. Loan number.
2. General number and name of borrower.
3. Amount of loan.
4. Purpose for which the loan was given.
5. Nature and description of security taken.
6. Resolution of the panchayat, number and date.
7. Rate of interest.
8. Period within which the loan is to be discharged.
9. Date of disbursement of the loan.
10. Due dates with amount of instalments.

1	4	7	10
2	5	8	
3	6	9	

Principal.

Date.	Amount of loan disbursed.	Amount of instalment of loan recoverable.		Amount recovered.		Amount of loan or instalment overdue.	Amount of loan outstanding.	Secretary's initials.	Auditor's initials.	Remarks.
		Arrear.	Current.	Arrear.	Current.					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

Interest.

Date.	Amount of interest recoverable.		Amount of interest recovered.		Interest overdue.	Date up to which interest has been collected.	Secretary's initials.	Auditor's initials.	Remarks.
	Arrear.	Current.	Arrear.	Current.					
	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)

Loan Ledger.—Each loan disbursed to members should be entered on separate pages. Every loan should be numbered serially. This number is called the loan number. When entering the amount of repayment of any loan in the day book, this number should invariably be quoted. If two or more loans are sanctioned to a member they should be given separate serial numbers and entered on separate pages. Two loans should never be entered on one page. After the receipts towards the repayment of loans are entered in the day book the corresponding columns in the loan ledger should also be filled in. All sums received before the due date should be credited to the principal, while sums received after the due date should be credited to interest, the balance, if any, being credited to principal. If the loan is to be repaid in instalments, all the due dates should be given in the ledger.

8. *Register of Fixed Deposit and other Borrowings.*

Date of bond. (1)	Number of loan or fixed deposit receipt number. (2)	Date of receipt of loan or deposit. (3)	From whom received (name and address and general number, if a member). (4)	Amount. (5)	Period. (6)	Rate of interest. (7)	Other conditions, if any. (8)	Name of heir or heirs to whom the amount should be paid. (9)	Initials of the Secretary. (10)	Initials of the Auditor. (11)

Principal.					Interest.							
Due.		Actual payment.			Due.		Actual payment.					
Date. (12)	Amount. (13)	Date. (14)	Amount. (15)	Balance outstanding. (16)	Date. (17)	Amount. (18)	Date. (19)	Amount. (20)	Balance due. (21)	Secretary's initials. (22)	Auditor's initials. (23)	Remarks. (24)

9. *Recurring Deposit Ledger.*

1. Account number.
2. Name of depositor.
3. Father's name.
4. Address in full.
5. General number, if the depositor be a member.
6. Amount agreed to be paid monthly.
7. Number of months.
8. Date of commencement of the deposit.
9. Date of maturity.
10. Name of heir or heirs to whom the deposit should be given.

	Demand.				Collection.					Balance.				
	Deposit.		Fine.											
For what month. (1)	Arrear. (2)	Current. (3)	Arrear. (4)	Current. (5)	Date. (6)	Deposit. (7)	Fine. (8)	Total collection up to date. (9)	Month for which collected. (10)	Deposit. (11)	Fine. (12)	Secretary's initials. (13)	Auditor's initials. (14)	Remarks. (15)

10. *Provident Deposit Ledger.*

Deposit No.

Name and address of depositor.

Nominee's name.

Period.

Amount. Rate of interest.

Instalment number.	Month for which due.	Date of payment.	Cash book folio.	Amount deposited.	Interest added.	Amount withdrawn.	Balance.	Penalty due.	Collected.	Balance.	Initials, of.		Remarks.
											Secretary.	Auditor.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)

11. $\frac{\textit{Current}}{\textit{Savings}}$ *Deposit Ledger.*

1. Name of depositor.
2. General number, if any.
3. Specimen signature.
4. Cheque number.

Date.	Particulars.	Amount.			Number of days.	Interest.		Secretary's initials.	Auditor's initials.	Remarks.
		Received.	Withdrawn.	Balance at credit.		Products.	Amount.			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

12. *Liability Register.*

Ledger No.

1. General number and name of member.
2. Net value of the property owned by the member. Rs. on (date)
3. Number of shares held by him.
4. Share capital paid up Rs. .
5. His maximum borrowing power as direct loan at $\frac{\text{Rs. per share}}{\text{times the paid up share capital}}$ is Rs. , of which available for long term purposes Rs. .
6. Maximum amount of loan for which he can stand surety $\frac{\text{Rs. per}}{\text{times the paid up share}}$ $\frac{\text{share}}{\text{capital}}$ is Rs.

DIRECT LOANS.

Date.	Loan. number.	Loan amount.		Repayments.			Balance of principal after each transaction.		Nature of security—If personal security state their general numbers.
				Principal.		Interest.			
		L.T.	S.T.	L.T.	S.T.		L.T.	S.T.	
(1)	(2)	(3)		(4)		(5)	(6)		(7)

SURETY LOANS.

Date.	Loan number.	Loan amount.	Repayments—Principal.	Balance of principal after each transaction.	General number of the members for whom this member stood surety.

13. *Posting Statement of Receipts and Disbursements—Receipts.*

Date.	Share capital.	Entrance fees.	Deposits from members.			Deposits from non-members.			Loans from other societies.	Loans repaid by members.	Interest received.	Other items.					Total receipts.	Remarks.
			Fixed.	Recurring.	Provident.	Fixed.	Recurring.	Provident.										

Disbursements.

Date.	Share capital withdrawn.	Members' deposits withdrawn.			Non-members' deposits withdrawn.			Loans disbursed.		Loans repaid to other societies.	Interest paid on deposits.	Interest paid on loans.	Establishment and contingencies.	Amount remitted to reserve.					Total.
		Fixed.	Recurring.	Provident.	Fixed.	Recurring.	Provident.	Members.	Other societies.										

Posting Statement of Receipts and Disbursements.—This should be posted daily from the day book and totalled up at the end o each month. It is an abstract of the day book.

NOTE.—Blank columns are left to facilitate the entry of other items than those specifically provided for.

14. *Reserve Fund Ledger.*

On account of the year.	Amount ordered out of profits.	Amount added by society out of indivisible and undisbursable profits and out of other sources.	Total amount.	State of reserve fund.						Remarks.	Particulars of interest received.			Remarks.
				Date.	Amount invested in cash.	Amount invested by adjustment or otherwise.	Amount withdrawn.	Balance after each transaction.	Place of investment.		Date.	Amount.	Date up to which interest was received.	

15. *Acquittance Roll.*

For the month 193 .

Number. (1)	Name of incumbents. (2)	Designation. (3)	Rate of pay. (4)	Amount payable. (5)	Amount to be deducted. (6)	Net amount paid. (7)	Date. (8)	Signature. (9)	Remarks. (10)

16. *Letter Book Register.*

Serial number of letter.	Purport of letter.	Date of despatch of letter.	Value of postage.	Remarks.

Letter Book.—This book may contain copies of all letters addressed by the society to the Registrar, Central Banks, etc., the letters being consecutively numbered or office copies can be kept, a register being kept as shown above.

17. *Audit Remarks Book.*

This register is intended for the Registrar and his subordinates to note their remarks during their audit or inspection of the society.

18. *Letter File.*

All letters received by the society whether from the Registrar or other persons should be filed in this book in the order in which they are received.

19. *Voucher File.*

All vouchers for contingent expenditure incurred by the society should be filed in this book in the order of disbursement. Receipts for moneys received by post should also be filed herein.

20. *Members' Pass Book.*

The Ten Points of Co-operation.

1. Each for all and all for each. This is the grand rule of co-operation.

2. Since in a society each is responsible for the debts of all the others we must admit as members only men known to us to be men of good character who will not deceive the society. We must not refuse to admit a good man merely because he is poor.

3. We must give loans only for good and useful purposes. We must fix the instalments so that the member can pay easily. The member must always pay according to the instalment. Then there can be no loss.

4. We must give members all loans they reasonably require. If members borrow outside at high rates they become weaker and not stronger.

5. We must never permit a poor member to sell his produce for a low price for want of a loan. That must be a law.

6. Each member must supervise the conduct of the other members. The panchayat must conduct the business of the society, but the panchayat is subordinate to the general body of members.

7. We must not only borrow, we must also save and deposit in the society. It is only in the beginning that saving is hard.

8. If ten people buy jointly their agricultural and domestic requirements, they will buy them cheap. Therefore we must always try to buy our requirements jointly. Joint sale also is often profitable.

9. The union supervises the societies just as members supervise other members.

10. Our society is a shareholder in the Central Bank, and if the bank is strong we are strong. Therefore if we benefit the bank, we benefit ourselves.

Co-operative Credit Society, Unlimited.

Name of member.

Occupation.

Address.

Number in the admission register.

Share instalments.

Date of allotment.	Number of shares.	Amount due.	Date.	Amount paid.	Penalty, if any.	Signature of the society's officer.
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Loan Ledger No. .

Dr.		Loan.			Cr. Repayment.				
			Amount due.				Interest.		
Date.	Amount lent.	Dates of instalments of repayment.	Principal.	Interest.	Date of repayment.	Principal.	Ordinary.	Penal.	Signature of the society's officer.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

NOTE.—In columns (3), (4) and (5) of the loan account, the instalments are to be copied one below another from the original agreement and to le entered at the time when an advance is made. Columns (7), (8) and (9) should be entered up from the loan ledger account at the time of every repayment. The Secretary should attest every transaction by his signature in column (10).

Current/Savings Deposits of *member.*

No.

Rate of interest.

Maximum allowed.

Date.	Amount deposited.	Amount withdrawn.	Balance at the credit of the depositor.	Signature of the society's officer.
(1)	(2)	(3)	(4)	(5)

Recurring Deposits No. .

Monthly deposit of Rs.

Date.	Amount deposited.	Fine paid.	Total of deposit up to date.	Signature of the society's officer.
(1)	(2)	(3)	(4)	(5)

Fixed Deposits No.

Date.	Rate of interest.	Amount deposited.	When repayable.	With-drawals.	Balance at the credit of the depositor.	Signature of the society's officer.
(1)	(2)	(3)	(4)	(5)	(6)	(7)

21. *Property Statement of Members.*

		Assets.									Amount due to the society.		Other debts.		
		Wet land.		Dry land.		Houses.							Mortgage loans.		
Serial number.	Name of member.	Survey number and area.	Value.	Survey number and area.	Value.	Number.	Value.	Value of movable property, cattle, etc.	Value of property outside the area of operations.	Total assets.	Mortgage.	Other loans.	Rate of interest.	Amount.	Creditor's name.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)

debts.													
Other debts.					Probable loan Requirements.								
Rate of interest.	Amount.	Creditor's name.	Total liabilities (12 + 13 + 15 (18).	Value of net assets (11 — 20).	Short-term.	Long-term.	Total (22 + 23).	Member's signature.	Net income for a year from agricultural source.	Income for a year from other sources.	Probable cultivation expenses per year.	Amount which member can repay annually towards long-term loans.	Remarks including purpose of loans under column (24).
(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)

22. *Register of Joint Purchases.*

Name of the article purchased and distributed.

Serial number.	Name of the member indenting.	General number of the member.	Number or quantity of articles indented for with details.	Cost obtained as advance payment.	Date of payment by member.	Signature of the indenting member.	Revised cost fixed on arrival of the articles in the village.	Deficit amount to be recovered.	Date of recovery.	Excess amount to be refunded	Date of refund.	Signature of member in token of having received the article and the balance.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)

NOTE.—(1) Separate page or pages should be set apart for each article dealt with.

(2) The remarks column should show the price of the article in the village purchased in retail by a member separately.

23. *Register of Joint Sales.*

Name of the article sold.

Serial number.	Name of the member contributing.	General number of the member.	Quantity of article contributed.	Amount realized by wholesale sale.	Amount payable to each member with reference to quantity contributed.	Amount actually paid.	Date of payment.	Signature of the contributing member in token of receipt of money.	Price of the article in each case if sold individually.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

24. *Register of Closed Loans.*

Loan number. (1)	Date of loan. (2)	Amount of loan. (3)	Due date. (4)	Date of closing of this loan. (5)	Date of filing for arbitration. (6)	Date of decree. (7)	Date of filing for execution. (8)	When it becomes time-barred for suit. (9)

Overdue amount.					Amount recovered.						
	Amount.					Loan.					
Date. (10)	Principal. (11)	Interest. (12)	Notice and Vakil charges. (13)	Court costs. (14)	Date. (15)	Principal. (16)	Interest. (17)	Notice and Vakil charges. (18)	Court costs. (19)	Union Secretary's initials. (20)	Auditor's initials. (21)

25. *Register of Immovable Properties of Defaulters purchased in auction by the society.*

						Description of the property.						If leased out.			
Name of the member to whom the property belonged. (1)	Date and number of the decree. (2)	Date of purchase in auction. (3)	Auction amount. (4)	Date of confirmation of sale. (5)	Date of possession. (6)	House or land (wet or dry). (7)	Survey numbers. (8)	Boundaries. (9)	Extent. (10)	Estimated value. (11)	Nature of the title. (12)	General body resolution number and date. (13)	Name of the varamdar or lessee. (14)	Lease or varam amount. (15)	Date of realization. (16)

Kist paid.		Other expenses, if any.			If the property is sold					
Date. (17)	Amount. (18)	Date. (19)	Amount. (20)	Net income derived. (21)	General body resolution number and date. (22)	Date of sale. (23)	Name and address of the vendee. (24)	Sale price. (25)	Date of realization. (26)	Remarks. (27)

26. *Register of Applications for arbitration of suits and execution.*

Serial number.	Names of parties.	Nature of claim.	Value of claim.				Date of institution or reference to arbitration.	Details of all costs incurred by the society (if any) prior to decree.			Name of court or arbitrators and abstract and date of their final order.
			Principal.	Interest.	Other items.	Total.		Date.	On what account.	Amount.	
(1)	(2)	(3)	(4)				(5)	(6)	(7)	(8)	(9)

Amount decreed.				Date of filing for execution.	Where filed and execution petition number.	Details of costs of execution of decree.			Interest accruing after decree.	Total of columns (13), (18) and (19).	Amount recovered or paid in satisfaction of decree.					Remarks.
Principal.	Interest.	Costs.	Total.			Date.	On what account.	Amount.			Date.	Principal.	Interest.	Costs.	Total.	
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)

27. *Supervision Fund Register.*

Date.	Demand. Amount of supervision fund as fixed at audit.	Payment.	Balance.	Remarks.

28. *Investment Account in Central Bank Shares (Permanent Register).*

Date.	Amount of paid up share capital of members in the society.	Number of shares to be taken in Central Bank.	Amount to be paid as share capital.	Amount to be paid as entrance fees.	Total payable.	Amount remitted for purchase of				Balance.	Remarks.
						Number of shares.	Share value.	Entrance fees.	Total.		

29. *Home-safe Deposit Ledger.*

1 Account number.
2 Name of the depositor.
3 Father's name.
4 Address in full.
5 Date of commencement of the deposit.
6 Date of maturity.

Date.	Amount received.	Total amount received up to date.	Amount refunded.	Interest paid.	Initials.		Remarks.
					Secretary's.	Auditor's.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

30. *Register of Dividend.*

For the year ending

Serial number.	General number and name of share holder.	Share ledger folio.	Share capital held at the beginning of the year.	Share Capital paid up during the year.		Share capital withdrawn during the year.		Share capital held at the end of the year.	Units.		
				Date.	Amount.	Date.	Amount.		Months.	Details.	Total.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)

Dividend due.	Arrear of dividend due if any, for previous years.	Total dividend due.	Number and date of dividend notice.	How disbursed.	Date of payment.	Signature of member in case of cash payment.	Date of confiscation with number and date of resolution.	Secretary's initials.	Auditor's initials.	Remarks.
(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)

UNLIMITED LIABILITY SOCIETIES—FORMS.

1. *Monthly Statement of Receipts and Charges.*

Co-operative Cre it Society, No.

Receipts.	Totals for the year up to this month.	Totals for the month.	Grand total.	Expenditure.	Totals for the year up to this month.	Totals for the month.	Grand total.
Entrance fees				Share payments			
Share instalment				Deposit—Fixed			
Deposits—Fixed				Current			
Current				Provident ..			
Provident.. ..				Recurring ..			
Recurring.. ..				Chit Fund ..			
Chit Fund ..				Loans granted			
Loan instalments				Interest paid			
Interest				Penal interest			
Post and telegraph charges..				Contingencies			
Loans from Central bank ..				Establishment charges ..			
Loans from others				Post and telegraph charges..			
Receipts from court expenses.				Loans repaid to central bank.			
Postal Savings bank				Loans repaid to others ..			
Miscellaneous				Reserve fund			
				Postal Savings bank			
				Miscellaneous			
Cash balance at the beginning of the year				Balance at the end of the month			

This statement was approved at the meeting of the panchayat held on 19 .

President.

Secretary.

2. *Share Application Form.*

To

The President,

The Co-operative Credit Society, No.

Sir,

I request you to admit me as a member and to allot to me shares. I am remitting herewith Rs. for share instalment and Rs. for entrance fees. I agree to abide by the by-laws now in force and those that may be enacted hereafter. I certify that I am not a member of any other credit society except Co-operative Central Bank, Ltd. L.M.,B., Ltd. I also certify that I have not applied to be adjudicated a bankrupt or an insolvent nor am I an uncertificated bankrupt or undischarged insolvent. I further certify that I have not been expelled from membership of any co-operative society under the provisions of its by-laws during the period of two years preceding this date.

Yours faithfully,

(Signature)

Name in full

Father's name

Age Profession

Residence

3. *Extension Application Form.*

To

The President,

The Co-operative Credit Society, No.

The application of—

(1) Member No.

(2) Member No.

(3) Member No.

Sir,

For the loan of Rs. for which a bond was executed by us on , we have paid up to date the instalments due and interest in full and an amount of Rs. only is pending payment.

The instalment for this $\frac{\text{month}}{\text{year}}$ falls due on but owing to (here state circumstances) we are unable to pay the amount and therefore request an extension of for the repayment of the loan.

193 .

The extension asked for was granted in resolution No. , dated 193 of the Panchayat.

(Signature)

President.

4. *Loan Application Form.*

(a) SHORT-TERM LOAN APPLICATION.

From

The Co-operative Credit Society,
Post, Union,
Taluk, District.

To

The Secretary,
Central Bank, Ltd.,

Through the Co-operative Supervising Union / Deputy Registrar.

Sir,

With reference to the forecast of short-term loan requirements to the extent of Rs. already forwarded, I submit herewith an application for a short-term loan of Rs. repayable in full on or before as resolved at a meeting of the panchayat in resolution No. dated of which a copy is enclosed. I also enclose herewith an unregistered / registered pro-note for the amount duly executed by the panchayat. As this loan is required for short-term purposes, viz., cultivation expenses / payment of kist / holding up of produce for a favourable market urgently, the Bank is requested to sanction the loans without delay, so that the amount will be available for drawing not later than 193 .

N.B.—In case of loans for holding up of produce for a favourable market, the panchayat should see that the loan applied for does not exceed 85 per cent of the value of the produce pledged or proposed to be pledged with the society. Further the loans should be disbursed only after custody of produce has been made over to the society in the manner prescribed in the by-laws.

2. The following particulars are given :—

(a) Number of members on the rolls on the date of application.

(b) Net assets of members on the date of application or last revision of the Property Statement.

(c) Maximum borrowing powers of the society.

(i) Long-term. (ii) Short-term. (iii) Total M.B.P.

(d) What are the borrowings by the society on the date of application, (i) for short-term, (ii) for long-term.

Short-term / Long-term	Amount.	Date of borrowing.	When due.	If overdue reasons therefor.
(1) From Central Bank.				
(2) From others.				

(e) Details of overdues by members in respect of short-term loans previously obtained :—

Name.	Amount outstanding.	When taken.	When due.	Reasons for the arrears.	Was he given any extension on account of the failure of the last crop ? If not, what action was taken.

Secretary.

(Signature)

Copy of resolution No. of the panchayat, dated

Recommendations of the Union / Deputy Registrar (to be made within 5 days).

LONG-TERM LOAN APPLICATION.

From

Society,
Post, Union,
Taluk, District.

To

The Secretary,
Central Bank, Ltd.,
Through $\frac{\text{Deputy Registrar of Co-operative Societies.}}{\text{The President, Co-operative Union.}}$

Sir,

District. Taluk Name of the society.

I request that a long-term loan of Rs. repayable in years as noted below may be sanctioned for disbursement to the members of the society. A copy of the resolution of the $\frac{\text{General Meeting}}{\text{Panchayat}}$ resolving to apply for the loan is enclosed.

Instalments for the repayment of the loan applied for.
(1) Rs. on
(2) Rs. on
(3)
(4)

Particulars on the financial condition of the society.

(1) Number of members on rolls on the date of application.

(2) (*a*) The total net assets of the members of the society.

(*b*) When was the property statement last revised ?

If the property statement has not been revised for the year, a fresh statement should be prepared and copies sent along with the loan application to the Bank and Union with the signature of the Panchayatdars duly certified.

(3) Maximum borrowing power of the society according to the by-laws—

(i) Short term. (ii) Long-term. (iii) Total.

(4) Particulars of borrowings by the society—.

		Short-term.	Long-term.
(*a*) Deposits.	From members ..		
	,, non-members ..		
	Total ..		

		Short-term.	Long-term.
(*b*) Other borrowings.	From the District Bank.		
	From other sources.		
	Total ..		
	Total of all borrowings ..		

(*c*) Out of the total borrowings by the society shown above, the following are the overdues :—

Central Bank. Loan No.	Date of loan.	Amount borrowed.	Amount overdue.	Principal.	Interest.	Date of overdue.
(1)	(2)	(3)	(4)	(5)	(6)	(7)

(*d*) When was the last loan obtained from the District Bank ? Is it a short or long-term loan ?

(5) Number of members for whom the present loan is required—

(*a*) Out of the amount now applied for, the amount required by the panchayatdars and their relatives.

(*b*) Particulars of loans referred to in item 5 above.

Member number.	Amount sanctioned.	Purpose.	Period of repayment.	Whether mortgage or surety.	Amount borrowed previously and outstanding against the members and overdue.	Date from which overdue.

Short-term. Long-term.

(6) (*a*) Number of shares taken by the society in the Central Bank and the share capital paid—

(*b*) Is any instalment of share capital overdue ?

(*c*) Should any additional shares be taken ? If so, have they been allotted ?

(7) (*a*) Particulars of loans overdue from members—

Total number of outstanding loans.	Total amount outstanding.	Principal overdue out of column (2).	Remarks.

Short-term

Long-term.

(*b*) Out of overdue loans state in how many cases and for what amounts arbitration disputes have been filed or decreed and what action has been taken in the remaining cases.

(8) General—

(*a*) State the total Reserve fund of the society as per last audit certificate and the amount invested in the Central Bank towards it.

(*b*) State the supervision fund due and the amount paid up to date.

Signature.

Secretary of the Co-operative Credit Society.

Recommendation of the $\frac{\text{union governing body.}}{\text{Deputy Registrar.}}$

Date

PLACE.

Resolution of the executive committee of

Central Bank.

Instructions.—Along with this printed application, a property statement should be prepared for the members for whom the loans are recommended showing the distribution of the proposed loans in the appropriate columns against each member. A note should also be made in the property statement giving the names of the panchayatdars who are to get loans in the proposed distribution and whether the general meeting has passed loans to the panchayatdars. This statement need not be sent in regard to *short*-term loans.

Note.—No loan will be recommended if there are overdues to Central Bank either under principal or interest or when the reserve fund due has not been sent up to the Central Bank or when the panchayatdars are defaulters, unless special reasons are given.

5. *Mortgage Bond Form.*

Mortgage Bond executed on 193 , by member No. of the Co-operative Credit Society, No. and son of , caste , calling and residing in the village of in favour of the President of the Co-operative Society established in the village of sub-district district

2. I have this day received from the said society the sum of Rupees ( ) for the purpose of . I promise to repay this amount with interest at per cent per annum in $\frac{\text{monthly}}{\text{yearly}}$ instalments as shown below. Should I fail to pay an instalment of loan or interest, I bind myself to pay interest at pies per rupee per mensem from the date of default to the date of payment. I further agree that for default of payment of an instalment, the society may close my loan account and proceed to recover the amount legally with interest at pies per rupee per mensem on the total amount of principal and interest thus due from the date of closing the loan account to the date of recovery of the amount, from me personally, or from the property mortgaged a description of which is furnished below or from other properties in any order the society pleases.

INSTALMENTS.

	Year.	Month.	Date.	Principal.	Interest.
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

3. I agree to abide by the by-laws of the society now in force and those that may be enacted hereafter from time to time.

4. I hereby solemnly declare that the property, details about which are given below, is in my sole and absolute possession and is free from all and any kind of encumbrances. If it should at any time be proved that the property has been previously encumbered in any manner whatsoever and if the society were to incur loss thereby, I agree not only to make good the loss but also to be proceeded against under the Indian Penal Code.

5. Details of property—

Witnesses—

(Signature)

6. *Surety Bond Form.*

Surety bond jointly executed on 193 by (1) , member No. , son of , caste profession residing in the village of , (2) , member No. , son of , caste , profession residing in the village of , and (3) , member No. , son of , caste , profession , residing in the village of , in favour of the President of the Co-operative Society, No. , established in the village of sub-district district

2. One of us, namely has received from the said society, a loan of rupees ( ) for (purpose) in the presence of . We promise to repay this amount with interest at per cent per annum in instalments as shown below. Should we fail to pay an instalment of loan or interest, we bind ourselves to pay interest at $\frac{\text{monthly}}{\text{yearly}}$ pies per rupee per mensem from the date of default to the date of payment. We further agree that for default of payment of an instalment, the society may close the loan account and proceed to recover the amount legally with interest at pies per rupee per mensem on the total amount of principal and interest thus due from the date of closing the loan account to the date of recovery of the amount, either from all or any of us or from properties belonging to us.

INSTALMENTS.

	Year.	Month.	Date.	Principal.	Interest.
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

3. We agree to abide by the by-laws of the society now in force and those that may be enacted hereafter from time to time.

Witnesses—

(Signature)

Panchayatdar.

7. *Continuity Mortgage Bond* **Form.**

Mortgage bond executed on 19 , by member No. of the Co-operative Society No. and son of caste, calling and residing in the village of in favour of the President of the Co-operative Society established in the village of sub-district district.

I have this day borrowed from the society a sum of Rs. and in consideration of this amount, and any further amount which I may take from time to time from the society or for which I may stand surety for loan or loans given by the society to other members the total principal sum not exceeding Rs. at any time, I hereby mortgage the undermentioned property to the society. This and any further loan which I may take or for which I may stand surety, subject to the maximum above mentioned shall be subject to the conditions laid down in the by-laws of the society. The present loans shall bear interest at per cent per annum and shall be repayable in equal annual instalments, interest being paid every half year. Whenever I take any further loan or loans under the terms of this document I shall execute a simple bond with a surety or sureties that the society may demand stating therein that they are taken under and subject to the provisions herein.

I agree to abide by the by-laws of the society now in force and those that may be enacted hereafter from time to time. I also agree on my own behalf and on behalf of my heirs that the society may proceed also upon the other properties owned by me.

I hereby declare that the property now mortgaged and described below has no prior encumbrances of any sort:—

Description of property.

LIST OF ACCOUNT BOOKS MAINTAINED BY LIMITED LIABILITY PRIMARY SOCIETIES.

1. *Minute Book.*

In this book copies of (*a*) application for the registration of the society, (*b*) the by-laws of the society as approved by the Registrar and (*c*) the certificate of registration from the Registrar will be entered. The resolutions of the General meetings and of the Board of Directors will thereafter be entered as they are passed. All meetings should be numbered, the meetings of the Board of Directors bearing one set of serial numbers and the General meetings another; similarly, the Board of Directors' resolutions and the General resolutions should be numbered separately. The numbers should be consecutive for the co-operative year commencing on 1st July and ending on 30th June following. In the case of a General meeting, the date and place of the meeting should be first entered in the minute book. Then the name of the President if present with his designation as well as the names of all the members present should be written one below the other. If the President is not present, the names of all the members should be entered one below the other and then the name of the person who presided over the meeting should be given. The signatures of the members present should be taken against their names at the commencement of the meeting. All resolutions should be entered consecutively and numbered and the minutes of the proceedings signed by the President or the presiding member.

In the case of meetings of the Board of Directors, the date and place of the meeting should first be entered and then the resolutions in order. Lastly, the signatures of all the members of the Board of Directors present should be obtained. Each subject should be dealt with in a separate resolution and when the subject matter is the same the resolution should be distinct if the persons affected are different.

Consecutive numbers to the resolutions and meetings should cease on the 30th of June every year. The object in giving consecutive numbers to the meetings and resolutions is to see at a glance the number of General meetings and meetings of the Board of Directors held and the number of resolutions of the Board of Directors and General meeting passed in the co-operative year ending June 30th.

2. *Day Book.*

RECEIPTS.

Year, month and date.	General No.	Name of remitter.	Particulars of receipt (with number of resolution of the Board of Directors).	Receipt No.	General Ledger folio.	Amount received.		Total.	Remarks.
						In cash.	By adjustment.		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

EXPENDITURE.

Year, month and date.	General No.	Name of payee.	Particulars of payment (with number of resolution of the Board of Directors).	Voucher No.	General Ledger folio.	Amount paid.		Total.	Remarks.
						In cash.	By adjustment.		
(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)

3. *Cashier's Chitta.*

Date.	Number of		Particulars.	Receipt.	Disbursement.	Remarks.
	Chalan.	Cheque.				

4. *Petty Cash Book.*

Date.	Sub-voucher number.	Particulars.	Receipt.	Disbursement.	Remarks.

5. *Monthly Posting Statement of Receipts and Disbursements.*

Receipts.

Admission fees.	Preference shares.	Ordinary shares.	Loans from societies.	Interest.	Deposit account.				Total.
					Fixed deposits withdrawable at a year's notice and more.	Fixed deposits withdrawable at six months notice.	Current deposit.	Savings deposit.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

Disbursements.

Reserve Fund.	Loans to societies.	Interest.	Investment.	Establishment.	Contingencies.	Dividend distribution.	Total.	Remarks.
(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)

5. (*a*) *General Ledger.*

Name of Account

Date.	Day book page.	Particulars.	Receipts.	Payments.	Balance.	Secretary's initials.	Auditor's initials.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

6. *Share Application Register.*

1	Serial number.	
2	Date of application.	
3	Name.	Name of the applicant.
		Father's name.
		Age.
		Caste or tribe.
		Profession.
4	Place of residence.	
5	Number of shares desired.	
6	Signature or mark of the applicant.	
7	Resolution number of the Board of Directors.	
8	Distinctive number of shares allotted.	
9	Number and date of resolution.	
10	Initials of the President or Secretary.	
11	Remarks.	

7. *Share Register.*

Nominal value of a share is Rs.

Date of issue.	Name, father's name, surname and residence of shareholder.	Serial number of share held.	Date of payment or allotment.	Amount paid on allotment.	Date of payment on second call.	Amount paid on second call.	Serial number in share register.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

8. *Admission Book.*

Serial number.	Date of admission.	Number of resolution of the Board of Directors.	Full name of member with father's name.	Address.	Occupation.	Number of shares taken.	Amount payable as share capital (value of shares taken).	Demand.		Collections.		Balance.	Outstanding to the credit of the member.
								Date.	Amount.	Date.	Amount.	Amount.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)

Entrance fees collected.	Extent and nature of liability of the member to the debts of the society besides the share capital paid.	Signature of the member (when the member cannot sign, two witnesses should attest his thumb impression or other mark).	Full name and address of persons nominated by the member and recorded in the books of the society.	Date of cessation of membership.	Secretary's initials.	Auditor's initials.	Remarks.
(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)

Repayments by the society.				Signature or thumb impression of payee and if a marksman attestation of two witnesses to be taken.	Balance		Initials.		Remarks.
Date.	Number of shares returned.	Share capital amount refunded.	Resolution number of the Board of Directors.		Number of shares.	Amount.	Secretary's	Auditor's	
(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)

9. *List of Shareholders.*

General number.	Name of member.	Father's name.	Age.	Caste.	Profession.	Address.	Description and number of shares held.	Amount of share capital held.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

10. *Share Withdrawal Register.*

Serial number.	Date of cessation.	General number of the member.	Name of the member.	Date of admission.	Reason for withdrawal.	Amount refunded.	Date of refund.	Secretary's initials.	Auditor's initials.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

11. *Share Transfer Register.*

Serial number.	General number (share ledger folio).	Name of transferer.	Number of shares and amount of share capital transferred.		Date of transfer.	Name and general number of transferee.	Date and number of resolution of the Board of Directors authorising transfer.	Remarks.
			Number.	Amount.				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

12. *Ledger of Fixed Deposits and other Borrowings.*
(Same as No. 8 of the Unlimited Liability model.)

13 (*a*) *Recurring Deposit Ledger.*
(Same as No. 9 of the Unlimited Liability model.)

13 (*b*) *Provident Deposit Ledger.*
(Same as No. 10 of the Unlimited Liability model.)

Savings.
13 (*c*) *Current Deposit Ledger.*
(Same as No. 11 of the Unlimited Liability model.)

14. *Loan Application Register.*

(Same as No. 6 of the Unlimited Liability model.)

15. *Loan Ledger.*

1. Loan number.
2. General number and name of borrower.
3. Amount of loan.
4. Purpose for which the loan was given.
5. Nature and description of the security taken.
6. Resolution of the Board, number and date.
7. Rate of interest.
8. Period within which the loan is to be discharged.
9. Date of disbursement of the loan.
10. Due dates with amount of instalments.

1	4	7	10
2	5	8	
3	6	9	

Principal.

Date.	Amount of loan disbursed.	Amount of instalment of loan recoverable.		Amount recovered.		Amount of loan or instalment overdue.	Amount of loan outstanding.	Secretary's initials.	Auditor's initials.	Remarks.
		Arrear.	Current.	Arrear.	Current.					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

Interest.

Date.	Amount of ordinary interest recoverable.		Amount of additional interest recoverable for the days of delay.		Amount of ordinary interest recovered.		Amount of additional interest recovered.		Amount overdue.		Date up to which interest has been collected.	Secretary's initials.	Auditor's initials.	Remarks.
	Arrear.	Current.	Arrear.	Current.	Arrear.	Current.	Arrear.	Current.	Ordinary interest.	Additional interest.				
(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)

16. *Register of Applications for Suits and Execution.*

(Same as No. 26 of the Unlimited Liability model.)

17. *Register of Closed Loans.*

(Same as No. 24 of the Unlimited Liability model.)

18. *Dividend Distribution Register.*

(Same as No. 13 of the Central Bank model.)

19. *Bond Register.*

Document number.	Date of Document.	By whom executed.	Amount of the bond.	If decreed, date of decree.	Date of discharge.	Secretary's initials.	Auditor's initials.	Remarks.

20. *Reserve Fund Account.*

(Same as No. 14 of the Unlimited Liability model.)

21. *Stock Book of Forms and Furniture.*

(Same as No. 7 of the Central Bank model.)

22. *Liability Register.*

(Same as No. 12 of the Unlimited Liability model.)

23. *Suspense Account.*

(Same as No. 19 of the Central Bank model.)

24. *General Current Register.*

(Same as No. 16 of the Union model.)

25. *Disposal Register.*

(Same as No. 18 of the Union model.)

26. *Despatch Register.*

(Same as No. 19 of the Union model.)

27. *Acquittance Roll.*

(Same as No. 15 of the Unlimited Liability model.)

28. *Register of Joint Purchases.*

(Same as No. 22 of the Unlimited Liability model.)

29. *Register of Joint Sales.*

(Same as No. 23 of the Unlimited Liability model.)

30. *Diary of Due Dates for Loans and Shares by Members.*

Serial number.	General number.	Name of member.	Demand.					Collection.				Auditor's initials.	Remarks.
			Share capital.	Loan number.	Due date.	Principal.	Interest.	Date of collection.	Share capital.	Principal.	Interest.		

31. *Fluid Resources Register.*

(To be maintained by all limited liability primary societies which accept deposits and loans exceeding a total of Rs. 20,000.)

Year, month and date.	Liabilities.				Fluid resources.									Remarks.
	25 per cent of the fixed deposits falling due in the next 30 days.	25 per cent of the savings deposits.	25 per cent of the current deposits.	Total fluid resources required [Cols. (2) plus (3) plus (4)].	Cash balance on hand.	Moneys invested in current deposits in the Central Bank, the Provincial Bank and the Imperial Bank of India.	Moneys invested in savings deposits in the Central Bank, in the Provincial Bank, in the Imperial Bank of India and in the Postal Savings Bank.	80 per cent of the market value of Government Promissory Notes.	Entire purchase value of the Post Office cash certificates.	Undrawn portion of the cash credit with the Central Bank.	Total Fluid resources available [Cols. (6) to (11)].	Amount of deficiency [Col. (5) — Col. (12)].	Amount of excess [Col. (12) — Col. (5)].	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)

LIMITED LIABILITY PRIMARY SOCIETIES—FORMS.

1. *Receipt Book.*

Receipt issued by

No. Bank, Limited No.

1. General No.

Name of person paying money

2. Amount paid (in words)

3. Particulars of payment.
- Share subscriptions
- Entrance fees
- Savings deposits and account No.
- Provident deposit—account No.
- Loan Principal—account No.
- Interest—account No.
- Fixed deposit—account No.
  years months at per cent per annum.
- Other items

Total ..

4. Date of payment.

Secretary

Panchayat member. *Clerk.*

2. *Member Pass Book.*

First page

Bank, Limited.

Name of member

Occupation

Address

Number in member's ledger account

Number in member's register

Second page

Share Instalments.

Date of allotment.	Number of shares.	Amount due.	Date.	Amount paid.	Penalty, if any.	Signature of society's officer.
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Member No.

Pass Book for Deposits (fixed).

Date.	Rate of interest.	Amount deposited.	When repayable.	With-drawals.	Balance at the credit of the depositor.	Signature of the society's officer.

Recurring Deposit of Member No.

Monthly deposit of Rs. (in words)

Date.	Amount deposited.	Penal interest paid.	Total of deposit up to date.	Signature of society's officer.
(1)	(2)	(3)	(4)	(5)

$\frac{\textit{Current}}{\textit{Savings}}$ *Deposits of* *Member No.*

Rate of interest.
Maximum allowed.

Date.	Amount deposited.	Amount withdrawn.	Balance at the credit of the depositor.	Signature of the society's officer.

3. *Chalan.*

Bank, Limited.

Name of member in full

Father's name (in full)

Address—Residence and Occupation—

General No.

Date	Particulars	Amount
	Total ..	

In words Rupees

(Signature of remitter.)

(Signature of receiving officer.)

4. *Application for Membership in the* *Bank.*

No.

To

The Secretary,

Bank, Limited.

Sir,

I request you to admit me as a member of the bank and to allot me shares therein. I undertake full liability for the shares taken by me. I agree to pay an entrance fee of Rs. . I shall purchase a copy of the by-laws at a cost of pies. If I am admitted as a shareholder, I shall abide by the existing by-laws and those that may be enacted hereafter. I certify that I am not a member of any other credit society except Co-operative Central Bank, Ltd. L. M. Bank Ltd. I also certify that I have not applied to be adjudicated a bankrupt or an insolvent nor am I an uncertificated bankrupt or undischarged insolvent. I further certify that I have not been expelled from membership of any Co-operative society under the provisions of its by-laws during the period of two years preceding this date.

I hereby declare that the undermentioned details are true—

(1) Name Male / Female.

(2) Caste

(3) Religion

(4) Age

(5) Name of Father / Mother

(6) Residence. Division. Street. Door No.

(7) Occupation

(8) Whether the applicant possesses a house within the area of operations of the Bank.

(9) Name of his successor-in-interest

(10) The age of his successor-in-interest

(11) How he is related to the applicant, and his residence

(12) Number of shares required

(13) Shares already held by the applicant and his admission No.

PLACE (Signature of the applicant.)

Date

5. *Application for Fixed Deposit and for Opening a Current Account.*

To

The Secretary,

Bank, Limited.

Sir,

I request you to $\frac{\text{accept a fixed Deposit of Rs.}}{\text{open a current account in my name}}$ for years. I shall abide by the by-law of the bank. I declare that the following statement is true:—

(1) Name
(2) Father's name
(3) Caste
(4) Religion
(5) Age
(6) Occupation
(7) Residence
(8) Name of successor-in-interest
(9) Father's name of successor-in-interest
(10) Residence
(11) Rate of interest payable

Date

(Signature.)

6. *Application for Withdrawal of Shares.*

To

The Secretary,

Bank, Limited.

Sir,

I, shareholder No. , apply as follows:—

(1) I have subscribed for share No. in this bank and years have completely elapsed.

(2) I herewith attach the share certificate

(3) I have not borrowed any amount either on surety or mortgage from this bank.

(4) I request that I may be given back my share capital amounting to Rs. together with dividend amounting to Rs. or in all Rs.

(Signature.)

(5) The above statements are correct.

Head Accountant.

I have received in full the amount specified in paragraph (4) supra.

(Signature.)

Date

Witness

7. *Application for Loan.*

Sir,

I
son of Member No.
of Bank, Limited, hereby apply for a loan of Rs. repayable in equal monthly instalments or before the (date) 193 with interest at per cent per annum and subject to the by-laws of the society.

(Signature.)

Address.

To be filled in by the member.

Date 193 .

1. Value of paid-up share or shares.

2. Occupation of the member, his pay and income.

3. Details of immovable properties owned by the applicant and his surety—

   (i) Village.

   (ii) S. No.

   (iii) Extent

   (iv) Value

   (v) Encumbered or not.

4. Purpose for which loan is required.

5. Names of sureties, their occupation and address or the nature of securities such as deposits, etc.

6. Whether the applicant is surety for any other. If so, the name of the debtor and the amount of debt due.

Date 193 . (Signature.)

To be filled in by the office.

1. Date of admission,

2. How many shares? Value paid.

3. Any previous loan? Was it paid in time? (If current, the amount and when due.)

4. The rate of interest at which the loan should be granted.

Note.

Amount to the credit of the applicant.

Share money ...
Fixed deposit ...
Recurring deposit ...

Total ...

Deduct—

To the existing loan.

Balance to his credit.

Amount to the credit of the sureties.

Loan applied for Rs.

Secretary.

8. *Application for Withdrawal from Savings Account.*

To

The Secretary,

Bank, Limited.

Sir,

I have up to date deposited Rs. in the savings deposit account of the Bank as per pass book No. I desire to withdraw Rs. from the above amount. The pass book is herewith sent.

Date Depositor's signature.

Please pay the amount to

This is his specimen signature.

Depositor.

Received the sum noted above.

Date (Signature of the payee.)

9. *Application for Loans on Mortgage of Immovable Property.*

To

The Secretary,

Bank, Limited.

Sir,

I, shareholder No. , request that I may be granted a loan of Rs. on the mortgage of the undermentioned immovable property. I am sending herewith the title-deeds relating to the property. If the loan is sanctioned, I shall abide by the by-laws now in force and those that may come into force hereafter from time to time. I certify that all persons who have a share in the abovesaid property are members of the bank. Besides interest, I shall repay per cent of the principal every month.

Details of mortgage deeds—

The place and extent, etc., of the properties now intended to be mortgaged are as hereunder—

I have written below the details of the property and the interest I possess therein.

(Signatur.)

Date

Received survey fees of Rs.

Secretary.

Application for Loan.

1. Name in full.

2. Father's name.

3. If adopted, the adopted father's name.

4. Names of cousins.

5. (*a*) Whether divided or undivided.

(*b*) Whether you, your brothers and father are undivided or divided.

(*c*) If divided, produce the deeds relating to the division of properties.

(*d*) How many wives? How many children to each? Their names and age.

6. Residence.

7. Occupation and address.

8. Were you at any time an insolvent? If so, when?

If the applicants be females—

(1) Your husband's name—

(*a*) Whether you are a widow or not, if the former when did your husband die? Whether the property in question is your husband's and if so have you been in possession of it since his death?

(*b*) Name the cousins of your husband.

(*c*) Have they any interest in the property? If so, how much?

(2) Name of your father-in-law.

(3) Your father's name.
(Note if he is alive or dead.)

(4) Under whose protection are you?
(If any separate life settlement has been made the deeds relating thereto should be produced.)

Details of property.

If house—

(1) (*a*) Mud or brick-walled.

(*b*) Roofed or terraced or mixed.

(*c*) When was it built?

If land—

(2) (*a*) Wet extent assessment.

(*b*) Dry extent assessment.

(*c*) Who has got the possession of the land?

If tenanted, for how many years? Produce the deeds regarding it.

1. Is there any mortgage on the house or is there a decree on the house or has a warrant been issued on the house for non-payment of sircar, zamin, etc., kist?

2. Name of the zamindar or shrotriyamdar and address.

3. If land, the patta number and also produce receipts of kists paid to sircar, zamin or shrotriyam.

4. If within municipal limits, on whose name have receipts been issued, and produce them.

5. If the property be land, who is cultivating it and if there are trees on the land (give details).

6. What is the estimated value of the property to be mortgaged?

7. What is the annual income on the property?

8. Is the property self-earned or ancestral? If the former, from whom have you purchased it? For how many years has this property been in your possession? Who will succeed to this property?

9. What are the original documents of the property?

10. Of the abovesaid, which were deposited in the Bank, stating the others which were not so deposited?

11. Whether unencumbered or not.

12. If there be any previous mortgages—

(*a*) Name of the mortgagee.

(*b*) How many documents were executed in his favour?

(*c*) Are the documents registered?

(*d*) Details of the mortgage and when was it mortgaged?

(*e*) Has this property been offered as surety to anybody else?

(*f*) Is there any dispute regarding this property?

(*g*) Are there not any other encumbrances save those noted above?

13. If there is a prior mortgage, state the amount of principal and interest to be paid? If the debt be paid, will the property be free?

14. Whether the property is within the jurisdiction of the local District Munsif's Court or outside it?

15. Whether the mortgaged house is under your occupation or rented? If the latter, for how many years? Has any agreement been executed?

16. If the property be rented, what is the rent, the name of the occupier or the possessor of the land?

17. Have you borrowed any sum from the tenant, if so how much?

18. The amount of loan now required on the property and for what purpose is the loan required?

19. If for discharge of prior debt, state why and by whom that debt was contracted.

20. State the other properties you possess—how you got them and their estimated value.

21. Are there any minors and persons interested in the property to be mortgaged? If so, state their name and their age and your share of the property.

22. Have any got claim for maintenance on this property? Furnish their names and the details of the settlement made on each.

23. How far is the property from the Bank's office? Is it by rail or by road?

If the applicant is a lady.

24. (*a*) How she came by the property? If by dowry, give details and produce documents, if any.

(*b*) If this property belongs to your husband, has he got any cousins interested in the property? Are they divided or undivided? How did your husband acquire this property?

(*c*) Are you and your husband's brothers or sisters living together or separately?

I hereby solemnly declare that all the above information given by me in writing is true. If there be any false statement in the above, I may be proceeded against under the Indian Penal Code.

(Signature)

Date

Witnesses—

1.

2.

LIST OF ACCOUNT BOOKS MAINTAINED BY UNIONS.

1. *Minute Book.*—The by-laws of the union will be issued from the office of the Registrar pasted on the first few pages of the book. Subsequent amendments in the by-laws should be indicated, on the opposite blank page quoting against each amendment the Registrar's order of approval with the date of such order. In the minute book the serial numbering of the general meetings and of the governing body meetings should be kept distinct, each series being numbered consecutively for each co-operative year.

2. *Admission Register of Affiliated Societies.*—In this register, one page should be left for each society. In the case of societies which get affiliated to the union subsequent to the formation of the union, the number and date of the resolution of the governing body of the union accepting the affiliation should be quoted in the remarks column.

3. *Register of Affiliated Societies.*—This register will show the stages at which the several societies got affiliated to the union.

4. *Day Book.*—At the end of each day in which there are transactions a total should be struck and the cash balance on hand as well as that in the savings bank, if any, should be verified with the total and a certificate made out to that effect and signed by the president.

5. *Register of Organization.*—A supervising union is required to develop co-operative societies within its area and one of its duties is to organize co-operative societies at suitable places and to get them registered. Columns 1 to 7 should be filled up before papers are forwarded to the office of the Registrar.

6. *Register of Inspection of Affiliated Societies.*—One of the important duties of a union is to control its affiliated societies by careful and regular supervision. This register will enable the union to watch whether the societies are being periodically inspected. The names of societies should be written from the register of affiliated societies. There should be sufficient space between two societies to admit of more than one entry each. (Entries of inspection by the members of the governing body should also find place in the book.)

7. *Register of Loan Applications from Societies.*—On receipt of applications from societies in the union office, they may be referred back to the societies for rectifying errors or supplying omissions or a reference may be made to the supervisor or to some member of the governing body. Such references may be noted in column 5.

8. *Monthly Posting Statement of Receipts and Disbursements.*—A page should be devoted to each month. The total of each item in the month and up to the month should be noted at the bottom.

Items likely to be posted—Disbursements.

(1) Remitted to Central Bank for principal.
(2) Do. interest.
(3) Do. penal interest.
(4) Do. reserve fund.
(5) Do. share capital.
(6) Disbursed to societies on account of loans.
(7) Suspense account with the banking society.
(8) Do. with other societies.
(9) Current deposit with Central Bank.
(10) Advance made for account books.
(11) Advance made to salt, seeds, etc. (Articles of joint purchase.)
(12) Other payments. Establishment charges.
(13) Travelling allowance to establishment.
(14) Contingent charges.
(15) Postage.
(16) Travelling allowance to governing body members.
(17) Conference expenses.
(18) Amount paid for purchase of books.
(19) Remittance charges.
(20) Contribution to District Supervision Fund.
(21) Total.

Items likely to be posted—Receipts.

(1) Affiliation fees.
(2) Delegate fees.
(3) Rebate from Central Banks.
(4) Supervision Fund. Contributions from societies.
(5) Transmission charges.
(6) Interest on investment.
(7) Other miscellaneous income.
(8) For remittance to Central Bank—Principal.
(9) Do. do. Interest.
(10) Do. do. Penal interest.
(11) Do. do. Reserve fund.
(12) Do. do. Share capital.
(13) Amount received as loans from Central Bank to societies.
(14) Suspense account with banking societies.
(15) Do. with other societies.
(16) Advances recovered for books supplied.
(17) Sale of cotton seeds, etc. (Joint purchase.)
(18) Current account withdrawn from Central Bank.
(19) Donation for conference by societies.
(20)
(21)
(22) Total.

9. *General Information Book of Societies.*—This register should be maintained from time to time on intimations received as regards loans and collections from the Central Bank and will have to be consulted when disposing of loan applications of societies.

10. *Supervision Fund Register.*—A page should be allotted for each society. Coulmn 3 should denote the demand fixed by the Registrar at the audit with reference to the figures of the previous year.

11. *Reserve Fund Register.*—This register can be maintained with reference to the audit certificates issued by the Sub-Deputy Registrar and with reference to the intimation of collections received from the financing banks.

12. *Union Budget Statement.*—This should be prepared for each year.

13. *Statement of Assets and Liabilities of Members of Unlimited Liability Societies.*—A page should be allotted to each society and the register should note the totals of the columns as given in the statements received from primary societies.

14. *Statement showing the Net Assets of Members of each Affiliated Society.*—This is an abstract of No. 13 showing the net assets only.

15. *Travelling Allowance Memorandum of Supervisors for the month of* .—This statement may be sent in duplicate, one copy of which may be filed in the union office and the other will be used as a voucher for payment of the amount involved after being passed by the governing body of the union or other competent authority.

16. *General Current Register.*—All papers received in the office should be entered in this register except loan applications from primary societies. Intermediate references should all run on the same current number. When the subject is finally disposed of, a disposal number should be given and noted in the last column.

17. *Periodical Current Register.*—In this will be entered all the diaries, tour statements of Supervisors and the monthly statements sent by primary societies affiliated to the union, viz., (1) monthly progress report on the working of the societies, (2) monthly statement of receipts and disbursements.

18. *Disposal Register.*—On the final disposal of a subject the communication to the office or addressee concerned should go out of the union office bearing a consecutive disposal number determined by this register. Even papers " recorded " in office should be given a disposal number.

19. *Despatch Register.*—This is a register in which an account is kept of postage stamps spent.

20. *Monthly Progress Report.*—A copy of this form should be sent to the Central Bank and a copy to the Deputy Registrar.

21. *Register of Joint Purchases.*—Separate page or pages should be set apart for each article dealt with. The price of the article if purchased in retail should be noted in the remarks column.

22. *Register of Joint Sales.*

23. *Register of Office-bearers of Affiliated Societies.*—Affiliated societies should keep the union informed of all changes in the office-bearers. For every society, a separate page should be assigned and the name of the society should be noted on the top. It will not be necessary for every office-bearer to come and sign this register, but it would be sufficient if signatures of office-bearers are obtained on separate slips of papers and pasted in the book. The specimen stamp or seal of the society should be pasted on the top.

24. *Acquittance Roll.*—This has to be maintained for the union office establishment inclusive of the Supervisor.

25. *Delegates' Travelling Allowance Register.*—This has to be maintained whenever allowances for itineration are paid by the union to the delegates.

26. *Central Bank Share Capital Register.*—Central Banking Unions expect the societies to take shares in Central Banks. This register is intended to watch the progress made in this direction by the societies.

27. *General Ledger.*—This account can be maintained for the items noted below and for such other item as may be necessary:—

(1) Suspense items.
(2) Current account.
(3) Books advance account.
(4) Loans to societies from Central Bank.

28. *Receipt book.*

29. *Rotation Register.*

2. *Admission Register of Affiliated Societies.*

Serial number.	Affiliated society.		Date of affiliation to the union.	Society's maximum borrowing power.	Affiliation fee collected.	Number of shares taken.	Name of delegate.	Delegate fees.		Signature of delegates.	Date on which the delegates cease to hold office.	Secretary's initials.	Auditor's initials.	Remarks.
	Register number.	Name of society.						Amount.	Date of payment.					

3. *Register of Affiliated Societies.*

Serial number.	Number and name of societies.	Date of registration.	Date of affiliation to the union.	Registered address.	Post office.	Area of operations.	Remarks.

4. *Day Book.*

RECEIPTS.

(Same as No. 2 of the Unlimited Liability model.)

5. *Register of Organization.*

Serial number.	Name of society.	Name of group to which it appertains.	Area of operations.	By whom organized.	Local enquiry.		Number of persons who signed the application.	Date of submission of papers to Registrar's office.	Date of return of papers by the Registrar's office.	Date of registration and number of certificate.	Date of starting of the society.	Date when the society was first financed.	First local inspection after registration.		Remarks.
					By whom held.	Date or dates.							By whom.	Date.	

6. *Register of Inspection of Affiliated Societies.*

Serial number.	Name of affiliated society.	Particulars regarding inspection.												Remarks.
		First quarter.			Second quarter.			Third quarter.			Fourth quarter.			
		Date.	By whom inspected.	Secretary's initials.	Date.	By whom inspected.	Secretary's initials.	Date.	By whom inspected.	Secretary's initials.	Date.	By whom inspected.	Secretary's initials.	

7. *Register of Loan Applications from Societies.*

Serial number. (1)	Date of receipt in the union office. (2)	From which society. (3)	Purport of the loan application showing the amount of loans applied for and the period of repayment. (4)	Date of reference and to whom referred. (5)	Date of receipt of reply with number and date of report. (6)	Date and number of the resolution of the governing body. (7)	Date of submission to Central Bank. (8)	Remarks. (9)

8. *Monthly Posting Statement of Receipts and Disbursements.*

	Receipts.							Disbursements.	
Year, month and date. (1)	Affiliation fees. (2)	Delegation fees. (3)	Contribution from societies. (4)	Contribution from financing banks. (5)	(6)	(7)	Total. (8)	Pay of supervisor. (9)	Travelling allowance of supervisor. (10)

Disbursements—*cont.*									
Clerk's pay. (11)	Pay of peon. (12)	Sitting fees for members of the governing body. (13)	Sitting fees for members attending general meeting. (14)	(15)	(16)	(17)	(18)	Total. (19)	Remarks. (20)

Total in the month.

Total up to the month from 1st July.

9. *General Information Book of Societies.*

1. Registered number of society.
2. Name of society.
3. Address.
4. Constitution of the Managing Committee.
5. Borrowing power. Date. Amount.
6. Bonds to be executed by
7. Amount of deposits, if any, to the credit of the society.
8. Net value of property of members.

Date of the last revision. Amount.

Name of the society.	Particulars.			Demand.				
	Loan number.	Date of loan.	Amount of loan.	Number of instalments.	Due date.	Principal.	Interest.	Penal interest.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

Collection.				Balance.					
Date.	Principal.	Interest.	Penal interest.	Principal.	Interest.	Penal interest.	Total.	Total principal outstanding.	Remarks.
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)

10. *Supervision Fund Register.*

Society. { No.
Name.

Serial number.	For what year.	Amount of supervision fund.				Remarks.	Name of Financing Bank.	For what year.	Amount of rebate.				Remarks.
		Demand.	Date.	Collection.	Balance.				Demand.	Date.	Collection.	Balance.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)

11. *Reserve Fund Register.*

Serial number.	Names of societies.	Amount to the credit of the reserve fund on 30th June 19 .	Amount in arrear as an item of liability pending credit on 30th June 19 .	Amount ordered to be credited to the reserve fund for the year.	Amount that has to be carried to the credit of the reserve fund for the year. [Total of columns (4) and (5).]	Amount credited to the reserve fund by way of interest for the year.	Amount actually remitted in cash [total demand less amount in column (7)].		Total amount credited to the reserve fund [columns (7) and (8)].	Balance of amount pending credit to the reserve fund [column (6) *minus* column (9)].	Total amount to the credit of the reserve fund.	Remarks.
							Date.	Amount.				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		(9)	(10)	(11)	(12)

12. *Union Budget Statement.*

Total of estimated receipts.							
Serial number.	Affiliation fees.	Delegation fees.	Rebate from financing banks.	Contribution from affiliated societies.	Closing balance on the last day of the previous year.	Other receipts.	Total.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

Total of estimated expenditure.							Remarks.
Pay of supervisor.	Establishment charges.	Travelling allowances.	Contingent charges.			Total.	
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)

13. *Statement of Assets and Liabilities of Members.*

(Same as in No. 21 of the Unlimited Liability model.)

14. *Statement showing the Net Assets of Members of each Affiliated Society.*

Serial number.	Number and name of affiliated society.	M.B.P. of the society.	Net Assets.		
			On	On	On
			Amount.	Amount.	Amount.
(1)	(2)	(3)	(4)	(5)	(6)

15. *Travelling Allowance Memorandum of Supervisor for the month of*

Date.	Route.		Purpose of journey.	Kind of journey.	Mileage.	Daily allowance.	Railway fare.	Total.	Remarks.
	From	To							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

16. *General Current Register.*

Serial number.	Number and date of communication.	From whom received.	Date of receipt.	Purport of the communication with catch-words underlined.	Reference sent out.		Number and date of disposal. (If sent in original, a copy of the final communication.)
					Date of reference and copy of the reference if the paper is sent out in original.	Outside number and date of reply.	

17. *Periodical Current Register.*

Number.	Name of subject of returns.	From whom due to this office. Received or issued.	When due to this office.	Date of reminder sent.	Date of receipt.	To whom sent.		Date of receipt again.	How disposed of.	Date of disposal.	Remarks.
						Name of officer.	Date.				

18. *Disposal Register.*

Serial number. (1)	Date of disposal. (2)	Current number or numbers in the file. (3)	Officer to whom the communication is addressed. (4)	Abstract of communication. (5)	Date of despatch. (6)	Remarks. (7)

19. *Despatch Register.*

Date of despatch. (1)	To whom despatched. (2)	Current or disposal number. (3)	Value of postage affixed. (4)	Value of postage on hand. (5)	Remarks. (6)

20. *Progress Report of the Co-operative Union, Ltd., No. , for the month of 193 .*

I. Loans sanctioned by the Union.

(1) Number and name of the society. Date and amount of sanction.

(2) List of loans rejected.

(3) List of loans pending sanction with reasons for pendancy.

II. List of extensions of loans recommended to the Central Bank, Ltd.

III. Names of societies that have committed defaults to the Central Bank and steps taken by the Union to rectify each default.

IV. (1) List of defaults made by the members of the affiliated societies.

(2) What steps have been taken in the case of defaults?

(3) Extension of time granted to the members by the affiliated societies.

V. How many societies were inspected and with what result by the Union Supervisor?

VI. Powers under Union by-law 15 of the Union—

(*a*) Have the affiliated societies been inspected by the Union Governing Body?

(*b*) Did the Union check annually the credit of the affiliated societies?

VII. (1) Were there any disputes in the societies? If so, state with particulars.

(2) Were there any disputes between the Union and other affiliated societies? If so, state with particulars.

VIII. List of pending references received from the Registrar during the month.

IX. General remarks.

21. *Register of Joint Purchases.*

Name of the article purchased and distributed on behalf of societies by the Union }

Serial number.	Name of the society indenting.	Number of the society.	Number or quantity of articles indented for with details.	Cost obtained as advance payment.	Date of payment.	Date and number of the communication sending the indent.	Revised cost fixed on arrival o the article in the union.	Deficit amount to be recovered.	Date of recovery.	Excess amount to be refunded.	Date of refund.	Signature of member in token of having received the article and the balance.	Remarks.

Note.—(1) Separate page or pages should be set apart for each article dealt with.

(2) The remarks column should show the price of the article if purchased in retail.

22. *Register of Joint Sales.*

Name of article sold on behalf of affiliated societies by the Union

Serial number.	Name of the society contributing.	Number of the society.	Quantity of article contributed.	Amount realized by wholesale sale.	Amount payable to each society with reference to quantity contributed,	Amount actually paid.	Date of payment.	Date and number of acknowledgment letter of the contributing society in token of the receipt of money.	Price of the article in each case if sold individually.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

23. *Register of Office-bearers of Affiliated Societies.*

Name of society. Seal of society.

Number.	Date of election.	Name of office.	Name of office-bearers.	Specimen signature of office-bearers.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)

24. *Acquittance Roll.*

(Same as No. 15 of the Unlimited Liability model.)

25 *Delegate's Travelling Allowance Register.*

Co-operative Union

Serial number.	Date of meeting.	Name of the delegate or governing body member.	Representative of what society.	Distance travelled.	Mileage.	Railway fare.	Sitting fees.	Total amount to be disbursed.	Total amount paid.	Signature of the member in token of having received the amount.	Remarks.

26. *Central Bank Share Register.*

Co-operative Union

Number of society. Name of society.

Date of receipt of remittance.	Amount received.		Secretary's initials.	Auditor's initials.	Date of remittance.	Amount remitted.		Secretary's initials.	Auditor's initials.	Balance.	Total amount paid on account of share capital.	Remarks.
	Share capital.	Entrance fees.				Share capital.	Entrance fees.					

27. *General Ledger.*

Union

Date.	Day book page.	Particulars.	Received.	Paid.	Balance.	Secretary's initials.	Auditor's initials.	Remarks.

28. ***Receipt Book.***

(Same as No. 5 of the Unlimited Liability model.)

29. *Rotation Register (to be maintained in the Supervising Unions).*

Name of the Union.

Name of the circle.

Name of the supervisor.

Year—19 - 19 .

Serial number.	Number and name of society.		First quarter.					
			July.		August.		September.	
			Date of visit.	Purpose of visit.	Date of visit.	Purpose of visit.	Date of visit.	Purpose of visit.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

II Quarter.

October.		November.		December.	
Date of visit.	Purpose of visit.	Date of visit.	Purpose of visit.	Date of visit.	Purpose of visit.
(10)	(11)	(12)	(13)	(14)	(15)

III Quarter.

January.		February.		March.	
Date of visit.	Purpose of visit.	Date of visit.	Purpose of visit.	Date of visit.	Purpose of visit.
(16)	(17)	(18)	(19)	(20)	(21)

IV Quarter.

April.		May.		June.	
Date of visit.	Purpose of visit.	Date of visit.	Purpose of visit.	Date of visit.	Purpose of visit.
(22)	(23)	(24)	(25)	(26)	(27)

UNIONS—FORMS.

1. *Attendance Register of the Governing Body Members of the Co-operative Union, Ltd., for the year .*

Number.	Name of the member.	Date of meeting.

2. *Diary of the Supervisor of the Co-operative Union for the week ending .*

Date.	From	To	Miles.	Brief work done by the supervisor.	Night halting place.

2. (*a*) *Tour programme of the Supervisor of the for the month of* 19 .

Date. (1)	Name of society. (2)	Distance from head-quarters. (3)	Purpose of visit. (4)	Remarks. (5)

Approved

Secretary
President

3. *History of Affiliated Societies.*

Number and Name of Society , Taluk , District , Date of registry , Date of starting.

Serial number.	Year.	Number of members at the end of the year.	Working capital on 30th June 193 .						Net value of property of members.	Maximum borrowing power on 30th June 193 .	Reserve fund on 30th June 193 .		Loans outstanding against members on 30th June 193 .		Profit earned or loss incurred during the year.	Default by society.				Default by members.				
			Share-capital paid up.	Loans and deposits held by			Non-members.	Total (show Government loan in column of remarks).			Invested in the Central Bank.	Due for investment in the Central Bank.	Number.	Amount.		Principal.		Interest.		Principal.			Interest.	
				Members.	Other societies.	Central Bank.										Demand.	Balance.	Demand.	Balance.	Demand.	Balance		Demand.	Balance.
																					Number.	Amount.		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)

Serial number.	Year.	Loans granted during the year.											Meetings held during the year.		Suits.		Decrees pending execution.	References under Rule XIV.		Decisions or awards under Rule XIV pending execution.	Remuneration to secretary.	Other establishment charges.	Contingent charges.	Honorarium to Directors.	Date of revision of property statement.	Remarks.
		Loans disbursed.		Out of columns 27 and 28 loans not exceeding Rs. 100.		Nature of security.				Purpose.																
						Suretyship loans.		Mortgage loans.		Prior debts.	Others.															
		Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.		Productive.	Non-productive.	Panchayat.	General.	Filed.	Decreed.		Made.	Decisions or awards passed.							
	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)

4. *Notice of Meeting to Delegates.*

Co-operative Union, Ltd.

Dear Sir,

A governing body meeting of this union will be held at (place) on (day) the (date) at (hour). Your presence is earnestly requested. In case you are unable to be present, please intimate the fact to me in time.

193 . *Secretary.*

To

M.R.Ry.

5. *Notice of Due Dates to Societies.*

Co-operative Union, Limited.

To

The President,

Co-operative Credit Society, No.

Sir,

The following amounts are due by your society to Central Bank on or before I request you to remit the money before (date) to the Central Bank,

Loan No.	Balance of principal.	Interest.	Total.

193 . *Secretary.*

6. *Inspection Report of Supervisors.*

Ref. on No. of 193 .

PLACE,

Dated 193 .

To

The Secretary,

Co-operative Union No.

1. Name of inspecting officer.

2. (*a*) Name of the Society and number.
   (*b*) Date of present inspection.

3. Date of last inspection.

4. What are the defects pointed out in the last inspection and their remedies?

5. Defects pointed out in the present inspection. Remedies done?
   (*a*) Minute book.
   (*b*) Cash book.
   (*c*) Admission register.
   (*d*) Deposit or borrowing ledgers.
   (*e*) Loan ledger.
   (*f*) Receipt book.
   (*g*) Voucher file.
   (*h*) Letter file.

6. (*a*) Are there any dues to the Central Bank?
   (*b*) What steps have been taken?

7. Are the monthly returns checked?

8. (*a*) Are there defaults in this and last month?
   (Note them)
   (*b*) What steps have been taken to collect the arrears?
   (*c*) Are there any time-barred loans and if so, what action has been taken?

9. Are the extensions duly sanctioned?

10. Are there any pending papers?

11. Panchayats—
    (*a*) Their interest and work.
    (*b*) Do they grant loans exceeding the value of the property?

12. Is the Madras Journal of Co-operation read?

13. Other records?

14. Are there any deposit collections?

15. Other remarks.

LIST OF ACCOUNT BOOKS MAINTAINED BY CENTRAL BANKS

1. *Minute Book.*

General Meeting,—Two minute books may be kept, one for General meeting and the other for meetings of the Board of Directors. The proceedings of the general meeting should be carefully recorded. The names of shareholders who are present in person and the affiliated societies which are present by delegates should be noted in the proceedings. Their signatures should be taken against their names.

The Chairman should always sign the minutes of a general meeting as they have been prepared and written up.

Directors' Meeting.—Before the meeting commences the Secretary should always write up the agenda for the meeting in the minutes book. The agenda should always be written in half margin with sufficient space between two entries.

The first business of a Directors' meeting is to confirm the proceedings of the last meeting. The Secretary will read out the minutes and if no objection is raised the proceedings should be confirmed. The Chairman will then go through the new agenda, item by item, and after discussion will write the decisions arrived at in the margin.

1. (*a*) ***Register of attendance of directors and members of the Executive Committee of travelling allowance and sitting fees paid to them (one page for each meeting).***

Names of Directors.	Signature of Directors who attend the meeting specified below.	Travelling allowance and sitting fees paid.				Number and date of the Executive Committee Resolution sanctioning payment.	Date and mode of payment.	Remarks.
		Date of receipt of bill.	Amount of bill.		Total.			
			Travelling allowance.	Sitting fees.				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

2. *Register of Applications for and Allotment of Shares.*

Serial number.	Name of applicant.	Address.	Number of shares applied for.	Shares allotted.											Remarks.
				Number of shares.			Number and date of allotment notice.	Amount due on allotment.	Amount due on previous calls, if any.	Total.	When due.	Date of acknowledgement of allotment notice.	Date of realization.	Share ledger folio.	
				From number.	To number.	Total.									
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)

NOTE.—This register deals with application for shares. As soon as an application for share is received, it is entered and columns (1) to (4) filled up. When shares are allotted by the Director allotment notice should be sent and columns (5) to (12) filled up. The date of the acknowledgment of the receipt of the allotment notice should be carefully recorded in column 13 of the register.

3. *Call List—Call of Rs. per share due on*

Serial number.	Reference to page of share ledger.	Names of shareholders.	Address.	Number of shares.	Amount due.	Number and date of call notice.	Paid.		Interest.		Remarks.
							Date.	Amount.	Number of days.	Amount.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)

Share Call Lists.—As soon a call is made, a list of shareholders with the amount of their dues on that call should be written out from the share ledger and entered in the call list. Call notice should be sent out and should be duly numbered and noted in the call list. The list will enable the Central Bank to watch the payment of share calls. The particular call for which the list is drawn up should be noted on the top of the list. Similarly when a further call is made a fresh list should be drawn up and the particulars similarly noted on the top of the list.

4. *Register of Preference Shareholders (Individuals).*

Serial number.	Share ledger page.	Total number of shares held (in pencil).	Name.	Father's name.	Occupation.	Address.	Date of admission.	Cessation of membership.		Remarks.
								Date.	Reason.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

Register of Preference Shareholders.—The object of the register is to keep a proper record of the names of all persons who hold preference shares in the bank. The register will show the names, fathers' names, occupations, and addresses of the members. The number of shares held by each should be noted. When two or more persons are permitted to be joint holders of a share their names should be entered against the same serial number and should be included in a bracket.

5. *Register of Ordinary Shareholders (Affiliated Societies).*

Serial number.	Share ledger page.	Number of shares held (in pencil).	Name of society.	Number and date of registration certificate.	Registered address.	Area of operations.	Date of affiliation.	Cessation.		Remarks.
								Date.	Reason.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

Register of Affiliated Societies.—Ordinary Shareholders. This register will show at a glance the number of affiliated societies with their names and it would also contain particulars about the dates and numbers of registration certificate and the areas of operations of affiliated societies.

6. *Register of Nominees.*

Serial number.	Name of member.	Date of nomination.	Name and address of nominee.	His description.	Proportion or amount.	Date of the death of the member.	Amount due to the deceased member.	How disposed of.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

Register of Nominees.—It is not compulsory on the part of a member to select a nominee and nominations may be revoked or varied. A member is entitled to nominate one or more persons to receive all moneys due to him from the Central Bank. The Central Bank should try and get every person to select a nominee. On the death of a member, the Central Bank is saved the trouble of finding out the heir or legal representative of the deceased member. A Central Bank is absolved of all liability if the money is paid to the nominee, although the nominee may not be the rightful owner.

7. *Stock Book of Forms, Furniture and Stationery.*

Name of form or furniture or article of stationery.

Date of purchase or receipt.	Particulars.	Quantity.	Cost price.	Consumption.		Value realized.	Book value.	Balance.	Remarks.
				Date.	Quantity.				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

Stock Book of Forms Furniture and Stationery.—For every form or furniture or article of stationery a separate page should be assigned. In the column for book value the actual amount calculated to the value of the stock and taken into account in the balance sheet should be shown.

8. *Register of Office-bearers of Affiliated Societies.*

Name of society. Seal of society.

Number.	When elected.	Name of office.	Name of office-bearers.	Specimen signature of office-bearers.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)

Register of Office bearers of Affiliated Societies.—Affiliated societies should keep Central Banks informed of all changes in the office-bearers. For every society. a separate page should be assigned and the name of the society noted on the top, It will not be necessary for every office-bearer to come and sign this register, but it would be sufficient if signatures of office-bearers are obtained on separate slips of papers and posted in the book. The specimen stamp or seal of the society should be pasted on the top.

9. *Day Book.*

Receipts.							Disbursements.							
Date.	Name and particulars.	Ledger page.	General ledger folio.	Amount.		Total under each head.	Date.	Name and particulars.	Ledger page.	General ledger folio.	Amount.		Total under each head.	Remarks.
				By cash.	By adjustment.						By cash.	By adjustment.		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)

Day Book.—The day book is a record of all sums received and paid during the day so that it is a complete record of all transactions which have taken place. A separate page should be assigned for each day's transactions. In the case of banks with large transactions it is desirable to maintain a rough day book, so that in the day book all receipts and payments under different heads [such as interest account, loan account, dividend account] may be grouped together, and the totals of each head entered in the general ledger. Balance at the close of each day's transactions should be struck.

9 (*a*). *Supplemental Day Book for Principal.*

[Same as No. 2 (*a*) of the Limited Liability model.]

9 (*b*). *Supplemental Day Book for Interest.*

[Same as No. 2 (*b*) of the Limited Liability model.]

10. *Treasurer's Pass Book.*

Treasurer's Name.

Date.	Particulars.	Opening balance amount.	Deposited.	Withdrawn.	Closing balance.	Treasurer's signature.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

Treasurer's Pass Book.—The pass book should be maintained by all Central Banks which have a separate treasurer with whom all collections are lodged. It should be taken to the treasurer when any sum is deposited with, or withdrawn from, him and it should be written and signed by him. The Secretary should verify all the entires and keep the pass book in safe custody. The paying-in slips or pay orders should be numbered and their numbers noted in the column provided for the purpose.

11. *Index Register of Shares.*

Serial number of share. (1)	Name of shareholder (society or individual). (2)	Page in register of shares. (3)	Transferee. (4)	Transferee. (5)	Transferee. (6)	Remarks. (7)

Index Register of Shares.—Where the shares of Central Banks are described by number it is necessary to keep a record of the shares to watch the number of shares disposed of and also to whom they are disposed of. Each share as it is disposed of should be entered in the column for serial number of shares and in the second column the name of the original allotment of the shares should be written against it and its purchase by subsequent buyers recorded in the adjoining column whenever a transfer takes place.

12. *Register of $\frac{\textit{Preference}}{\textit{Ordinary}}$ Shares.*

Name of shareholder.

Address.

Date.	Number of shares purchased or acquired.				Payments made.						Day book folio.	Share certificate number.
	How acquired.	From.	To.	Total.	Nature of call.	Per share.	Total.	When due.	Date.	Amount.		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)

Transfer.					Amount.	Balance held.			Remarks.
			Number of shares.			Number of shares.		Amount.	
Date.	To whom transferred.	Share register number.	Serial number.	Total.		Serial number.	Total.		
(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)

Register of $\frac{\textit{Preference}}{\textit{Ordinary}}$ Shares.—In column (6) it should be noted whether the amount shown in column (7) is paid on account of allotment or on account of 1st call, 2nd call, 3rd call, etc. When any shareholder transfers a share to another person a separate page should at once be opened for the transferee and in column (12) a reference to the page should be given. There should be an alphabetical index of shareholders.

13. *Register of Dividend.*

For the year ending

Serial number. (1)	General number and name of shareholder. (2)	Share ledger folio. (3)	Share capital held at the beginning of the year. (4)	Share capital paid up during the year.		Share capital withdrawn during the year.		Share capital held at the end of the year. (9)	Months. (10)	Unit.	
				Date. (5)	Amount. (6)	Date. (7)	Amount. (8)			Details. (11)	Total. (12)

Dividend due. (13)	Arrear of dividend due if any for previous years. (14)	Total dividend due. (15)	Number and date of dividend notice. (16)	How disbursed. (17)	Date of payment. (18)	Signature of member in case of cash payment. (19)	Date of confiscation with number and date of resolution. (20)	Secretary's initials. (21)	Auditor's initals. (22)	Remarks. (23)

Register of Dividend.—A dividend register should be kept by every Central Bank. It may be written on loose sheets of papers and when completed bound up. The year for which the dividend list is compiled should be noted on the top and columns (1) to (9) should be filled up from the share register. Units should be arrived at by multiplying the paid-up capital by the number of months it has been with the bank. The list of preference shareholders should be drawn up first and then the list of ordinary shareholders.

14. *Register of Fixed Deposits.*

Member No.
Non-member.
Name of Depositor or creditor.
Address.
Serial number in register of shareholders.

Fixed deposit receipt No.
Period and the due date.
Interest rate.
Other conditions, if any.

Date. (1)	Cash book page number. (2)	Amount received. (3)	Interest amount.		Repayments.		Balance.		Secretary's initials. (10)	Auditor's initials. (11)	Remarks. (12)
			Date up to which calculated. (4)	Interest. (5)	Principal. (6)	Interest. (7)	Principal. (8)	Interest. (9)			

Note.—Separate page should be assigned for each depositor and it should be noted prominently whether the depositor is a member or a non-member by striking off the word "member" or "non-member" as the case may be and if a member, the number in the shareholders' register should be entered against the word "member." This is very necessary, as a member is not required to execute stamped receipts in favour of the Central Bank, whereas when a deposit is refunded or interest paid to a non-member, a stamped receipt should, in every case, be obtained.

15. *Register of $\frac{\textit{Current}}{\textit{Savings}}$ Deposits.*

(Same as No. 11 of the unlimited Liability model.)

Note.—A separate register should always be maintained for current deposits as well as for savings deposits. Current deposits are repaid against the presentation of cheques, whereas for savings deposits, there is a special withdrawal form. Withdrawals against savings deposits are usually permitted once a week and the savings bank should not be allowed to be used for the purpose of keeping a current account. Savings deposits should also be distinguished from fixed deposits.

16. *Loan Ledger.*

Loan number.

Number and name of the borrower $\frac{\text{Individual}}{\text{Society}}$.

If a society, union to which affiliated.

Amount of loan sanctioned.

Number and date of Executive Committee.

Resolution sanctioning the loan.

Date of bond.

Rate of interest.

Period of repayment.

Due dates for repayment.

Date. Amount. Date. Amount.

		Principal.										
		Amount of instalment of loan recoverable.		Amount recovered.								
Date.	Amount of loan disbursed.	Arrear.	Current.	Arrear.	Current.	Amount of loan or instalment over due.	Amount of loan outstanding.	Number of days.	Products.	Secretary's initials.	Auditor's initials.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)

	Interest.													
	Amount of ordinary interest recoverable.		Amount of additional interest recoverable for the days of delay if any.		Amount of ordinary interest recovered.		Amount of additional interest recovered if any.		Amount over due.				
Date.	Arrear.	Current.	Arrear.	Current.	Arrear.	Current.	Arrear.	Current.	Arrear.	Current.	Secretary's initials.	Auditor's initials.	Remarks.
(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)

17. *General Ledger.*

Name of Account.

Date.	Day book page.	Receipts.	Payments.	Balance.	Secretary's initials.	Auditor's initials.	Remarks.

General ledger.—The object of the general ledger is to keep a proper record of the assets and liabilities of the bank so as to enable the Directors to keep a watch over all kinds of receipts and expenditure and to ascertain the position of the bank from time to time. The principal heads of account are given below :—

(1) Admission fees.

(2) Preference shares.

(3) Ordinary shares.

(4) Loans to societies.

(5) Interest account.

(6) Deposit account—

(*a*) Fixed—withdrawable at a year's notice and more

(*b*) Fixed—withdrawable at six months' notice ;

(*c*) Current deposits ;

(*d*) Savings deposits.

(7) Suspense items.

(8) Reserve Fund.

(9) Investments.

(10) Establishment.

(11) Contingencies.

(12) Dividend distribution account.

18. *Monthly Posting Statement of Receipts and Disbursements.*

(To be maintained in the form of " Receipts and disbursements " contained in the audit report.)

19. *Suspense Account.*

Date.	Cash book folio.	Particulars.	Amount received.	Amount paid.	Balance.	Initials of		Remarks.
						Secretary.	Auditor.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

20. *Register of Cheque Books.*

Date.	To whom issued.	Number of current account.	Number of cheque books and serial number of cheques issued.

21. *Deposit Repayment Diary.*

An ordinary diary which contains a page to a day should be kept in which will be noted against the date the deposits which will fall due on the date. Repayment due on a date or dates beyond the end of the current year, should be noted at the end of the diary to be carried forward when the next year's diary is opened. The deposit diary is necessary in order that the bank may arrange its resources so as to meet engagements without risk or inconvenience.

21 (*a*). *Register of Loans with due Dates.*

A similar diary must be kept for loans due from the societies to the Central Bank.

22. *General Current Register.*

(Same as the Union model No. 16.)

23. *Disposal Register.*

(Same as the Union model No. 18.)

24. *Despatch Register.*

(Same as the Union model No. 19.)

25. *Acquittance Roll.*

(Same as No. 15 of the Unlimited Liability model.)

26. *Coinwar Register or Cashier's Chitta.*

Date.	From whom received or to whom paid.	Currency notes.								Sovereigns.	Whole rupees.	Half rupees.	Quarter rupees.	Two anna coins.	One anna coins.	Copper.	Total.
		1,000	500	100	50	10	5										

27. *Register of Share Transfers.*

Date of transfer. (1)	Share ledger folio. (2)	Transferer.		Number of shares transferred. (5)	Distinctive.	
		Name. (3)	Address. (4)		From (6)	To (7)

Amount per share paid up. (8)	Transferee.		Occupation. (11)	Share ledger folio. (12)	Remarks. (13)
	Name. (9)	Address. (10)			

28. *Reserve Fund Deposit Register.*

Number and name of society.

Year of audit. (1)	Amount of reserve fund to be invested for the year. (2)	Amount of arrears of reserve fund to be invested on account of previous years, if any. (3)	Total. (4)	Amount invested.		Balance yet to be invested. (7)	Amount withdrawn, if any.		Total amount of reserve fund invested by the society. (10)
				Date. (5)	Amount. (6)		Date. (8)	Amount. (9)	

Number of days. (11)	Products. (12)	Amount of interest due. (13)	Interest paid.		Balance of interest due, if any. (16)	Secretary's initials. (17)	Auditor's initials. (18)	Remarks. (19)
			Date. (14)	Amount. (15)				

29. *Index Chart of Fixed Deposit Repayment—for the quarter ending.*

Due date of repayment.	Serial number.	Name of depositor.	Address.	Amount repayable.			Page in register of fixed deposits.	Remarks.
				Principal.	Interest.	Total.		

30. *General Information about Societies.*

(Same as No. 7 of the Union model.)

31. *Bond Register.*

Document number. (1)	Loan number. (2)	By whom executed. (3)	Date of bond. (4)	Amount of bond. (5)	Date of registration (if registered). (6)	Initials of officer in charge of bonds. (7)	If pledged as collateral security to Madras Provincial Co-operative Bank, date on which sent to Madras Provincial Co-operative Bank. (8)	Date of release from pledge. (9)	Date of discharge of bond. (10)	Date of return to executant. (11)	Initials of officer in charge of bonds. (12)	Remarks. (Here enter dates on which certificates of correctness of outstanding balances were obtained from the borrowers.) (13)

32. *Visitors' Remarks Book.*

A blank book should be kept. Visitors should be requested to enter their remarks and suggestions in this book.

33. *Recurring Deposit Ledger.*

(Same as No. 13 (*a*) of the Limited Liability model.)

34. *Register of Loan Applications.*

Serial number. (1)	Name of society. (2)	Date of receipt of loan application. (3)	Amount of loan. (4)	Period of loan. (5)	Number and date of Executive Committee resolution sanctioning the loan. (6)	Date of disbursement. (7)	Date of receipt of disbursement report. (8)	Remarks. (9)

35. *Supervision Fund Register.*

The Co-operative Central Bank, Limited,

Number and name of the society.—

For what year. (1)	Demand. (2)	Date of collection. (3)	Collection. (4)	Balance. (5)	Initials. (6)	Remarks. (7)

36. *Register of Fluid Resources.*

PART A.

Fluid resources to cover a fixed percentage of deposits received from individuals and institutions other than co-operative societies.

	Liabilities (outside the movement).						Fluid Resources.										
								Post office.									
Date.	Full amount of fixed deposits matured and not claimed.	50 per cent of fixed deposits falling due within the next thirty days.	Full amount of Recurring and provident fund deposits which matured for payment.	50 per cent of current deposits in the case of Central Banks and 40 per cent in the case of the Provincial Co-operative Bank.	25 per cent of savings deposits.	Total of columns (2 to 6).	Cash on hand and with the bank.	(i) Savings Bank account (amount which is readily withdrawable without notice.)	(ii) Cash certificates (full purchase value).	Undrawn portion of cash-credit with the Madras Provincial Co-operative Bank, obtained on securities other than Co-operative paper, i.e., Government Promissory Notes. Fixed deposits and Central Land Mortgage Bank Debentures.	Undrawn cash-credit with the Imperial Bank direct	80 per cent of the market value of Government paper unencumbered portion.	80 per cent of the market value of Central Land Mortgage Bank debentures purchased out of general funds (to take into account only up to a limit of 1/3 of the standard of fluid resources required to be maintained by the bank).	Total of columns (8) to (12).	Excess of columns (13) to (7.)	Deficit of columns (13) to (7).	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		(9-*a*)	(10)	(11)	(12)	(13)	(14)	(15)	(16)

PART B.

Fluid resources.				Liabilities inside the movement.			
Surplus amount mentioned in column (14) of Part A.	Deficit amount mentioned in column (15) of Part A.	Undrawn cash credit with the Madras Provincial Co-operative Bank obtained on the security of Co-operative paper.	Total fluid resources available — columns (1) + (3) or columns (3) — (2).	50 per cent of undrawn portion of cash-credit allowed to societies as cover for deposi s.	Excess of columns (4) to (5).	Deficit of columns (4) to (5).	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

37. *Securities Register*

Serial number.	Description and distinctive number of securities.	Face value.	Date of purchase or acceptance for safe custody.	From whom purchased or on whose account held.	Number and date of Executive Committee Resolution authorising purchase.	Rate per Rs. 100.	Value paid.	Date of sale or return to owner.	Description of securities sold or returned.	Face value of securities.	Rate per Rs. 100.	Value realized.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)

Description of securities outstanding.	Face value.	Cost price.	Market rate on 30th June.	Market value on 30th June.	Interest due.		Interest realized.		Income-tax paid.	Secretary's initials.	Remarks.
					Date.	Amount.	Date.	Amount.			
(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)

38. *Investments Register.*

Date.	Nature of investment and conditions, if any.	Where invested.	Amount invested.	Amount withdrawn.	Balance outstanding.	Interest realized.		Secretary's initials.	Auditor's initials.	Remarks.
						Date.	Amount.			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

39. *Register of Bills received for collection.*

Serial number.	Date of receipt.	From whom received.	Drawer.	Drawee.	In whose favour.	Bill number.	Date.	Term.	Amount.	Documents.	Instructions.	When due.	When realized.	When paid.	Rate of commission.	Commission realized.	Secretary's initials.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)

40. *Register of Money Orders and Insurances received.*

Date. (1)	From whom received. (2)	Particulars. (3)	Money order or Insurance number and name of the Post office of issue. (4)	Amount received. (5)	Cash book folio. (6)	Secretary's initials. (7)	Auditor's initials. (8)	Remarks. (9)

41. *Provident Deposit Ledger.*

(Same as No. 10 unlimited society model.)

42. *Treasury Remittance Book.*

The........Co-operative Central Bank, Ltd.

Date of Remittance. (1)	Name of Treasury or Sub-Treasury into which money is remitted. (2)	Particulars (specify the name of the society or other party in whose favour R.T.R. or cash order is required and purpose of remittance. (3)	Amount in figures. (4)	Amount in words. (5)	Dated signature of the T.O. in token of having received the amount. (6)	Date of receipts of R.T.R. or cash order by the society. (7)	Date of despatch of the R.T.R. or cash order to the society or other party on whose behalf it was obtained. (8)	Initials of the manager or Secretary of the society to the entries in column (8). (9)	Remarks. (10)

43. *T.A. Bill Register of Establishment.*

Serial number. (1)	Date of receipt of bill. (2)	From whom received. (3)	Period of claim. (4)	Amount claimed. (5)	Date of return with objection, if any. (6)	Date of receipt with answer to objection, if any (7)	Date of passing. (8)	Amount passed. (9)	Initials of passing officer. (10)	Date of payment. (11)	Remarks. (12)

44. *Register of delegates of affiliated societies.*

Number and name of society.

Period for which elected as delegate. (1)	Name of delegate. (2)	Date of general-body meeting of the society appointing the delegate. (3)	Date of cessation of delegation. (4)	Remarks. (5)

45. *Register of Immovable Properties purchased in auction by the Central Bank.*

(Same as No. 25 of unlimited liability model.)

CENTRAL BANKS—FORMS.

1. *Receipt Form.*

No. 193 .

Received from

the sum of rupees

as noted below :—

Particulars. (1)	RS. A. P. (2)	Due date. (3)	Loan No. (4)
Return of loans			
Transfer fees			
Interest			
Miscellaneous			
Additional interest			
Share capital			
Entrance fees			
Total ..			

Cashier. *Secretary.*

Receipt (Duplicate).

No. 193 .

Received from

the sum of rupees

as noted below :—

Particulars. (1)	RS. A. P. (2)	Due date. (3)	Loan No. (4)
Return of loans			
Transfer fees			
Interest			
Miscellaneous			
Additional interest			
Share capital			
Entrance fees			
Total ..			

Cashier. *Secretary.*

2. *Share Certificate.*

PRELIMINARY.

1. Serial No.
2. Number of shares.
3. Name of shareholder.
4. Father's name.
5. Residence.

Dated *Director.*

Manager.

Table of payment.

No. of call or instalment.	Date of payment.	Amount paid.	Signature after each payment.

Counterfoil Book of Share Certificates.

The Central Bank, Ltd.

Serial No. Book No.

This is to certify that
is the registered holder, subject to the provisions of the by-laws of the Bank of

$\frac{\text{preference}}{\text{ordinary}}$ shares of

Rs., in the

Central Bank, Ltd., in respect of which payments have been made as per endorsements below.

Director.

Seal

Dated *Manager.*

No. of instalment.	Date of payment.	Amount received.	Signature after each payment.

FINAL.

The Central Bank, Limited.

(Registered under India Act II of 1912.)

Share Certificate.

Certificate No. Number of shares.

This is to certify that of is the registered holder of $\frac{\text{preference}}{\text{ordinary}}$ shares numbered to in the Central Bank, Limited, subject to the rules and by-laws of the bank and that the sum of rupees has been paid in respect of the said shares.

Given under the common seal of the bank this day of 193 .

Secretary. *President.*

The Central Bank, Ltd.

Share Certificate.

Certificate No. Number of shares.

Name of shareholder

Address

Number of shares issued from No. to No.

Amount paid

Date

Secretary. *President.*

Received the certificate.

Signature of the shareholder.

3. *Pro-note.*

PLACE
Date 193 .

Rs.

On demand the Society promises to pay the Bank, Limited, or order, at their office, the sum of Rs. for value received together with interest thereon at per cent per annum up to date of payment in full.

For the

1.
son of
Profession or occupation Age caste office.

2.
son of
Profession or occupation Age caste office.

3.
son of
Profession or occupation Age caste office.

4.
son of
Profession or occupation Age caste office.

5.
son of
Profession or occupation Age caste office.

4. *Fixed Deposit Receipt.*

No.

193 .

The Central Bank, Limited.

Received from

the sum of Rs.

as a fixed deposit repayable

months after

with interest at

per cent per annum.

Rs.

Accountant. *Secretary.*

Not transferable.
Due on which date interest will cease unless renewed.

No.

193 .

The Central Bank, Limited.

(Registered under Madras Act VI of 1932.)

Received from

the sum of rupees

as a fixed deposit repayable

months after

with interest at the rate of

per cent per annum.

Rs.

Accountant. *Secretary.*

N.B.—No portion of the above sum can be drawn unless this receipt is returned with the endorsement of the party named in this receipt nor can the amount be drawn for in separate sums by cheque or draft.

5. *Deposit Renewal or Repayment Notice.*

Fixed Deposit No.

The Central Bank, Limited.

To

Sri

Dear Sir,

The term of months for the amoun. of Rs. deposited on 193 , expires on from which date it ceases to bear interest unless renewed in time, which please note.

We therefore await your instructions in that behalf.

Yours faithfully,

193 . *Secretary.*

N.B.—This bank is not bound to give this intimation and the non-receipt of the same due to whatever cause shall not be taken as an excuse.

The Central Bank, Limited.

No.

Dated 193 .

Notice issued to

Fixed deposit No. , dated

For Rs.

repayable on

interest accrued

Secretary.

The Central Bank, Limited.

No.

Dated 193 .

To

Dear Sir,

Your fixed deposit No. , dated 193 , for Rs. is repayable to you on 193 . I shall thank you to inform me of your desire in the annexed form as to its disposal.

In case no intimation reaches this office on or before the due date, the deposit amount together with the interest accrued of Rs. will be kept available for payment to you but without interest subsequent to the due date, viz.,

Yours faithfully,

Secretary.

N.B.—This bank is not bound to give this intimation and the non-receipt of the same due to whatever cause shall not be taken as an excuse.

PLACE
Date

To

The Secretary,
The Central Bank, Limited.

Dear Sir,

Your No. of regarding my fixed deposit No. , dated for Rs. . The original deposit receipt is herewith sent endorsed as under and signed :—

(i) Please renew the principal for months and remit to me the interest.

(ii) Please pay me the principal and the interest after the due date.

Yours faithfully,

(Signature)

Enclosure.

Address :

Note.—The depositor is requested to adopt either of the above courses and score out the other and return this portion signed.

Fresh deposit receipt will be issued in the case of No. I.

6. *Current Deposit Application and Notice to Verify the Correctness of the Balance of the Account.*

193 .

To

The Secretary,
The Central Bank, Limited.

Dear Sir,

I request you to open a current account in my name in the books of the Bank, and I herewith tender Rs. for credit thereto as under :—

	RS.
Coin and currency notes	
Cheques, bills, etc.	
Total ..	

I agree to comply with the Bank's rules for the time being in force for the conduct of such account.

Be good enough to furnish me with a pass book and a book of cheque forms for my use, and also to note my signature, as under.

Yours faithfully,

(Signature)

Name

Full address—

1.
2.
3.

(Specimen signature)

Please return this form (entire).

The Central Bank, Limited.

193 .

To

Dear Sir,

I beg to advise that your current account No. has been brought up to and shows a balance of Rs. ( ) in your favour which amount has been carried forward to your credit; in token whereof I shall thank you to sign the confirmation below and return the form to this office at your early convenience.

Yours faithfully,

For the Central Bank, Ltd.,

Secretary.

To

The Secretary,

The Central Bank, Limited.

I hereby confirm the correctness of the above statement.

PLACE,

Date 193 . (Signature)

7. *Pass Book* :

Loan Pass Book Ledger page No.

Date.	Amount issued or recovered (in words).	Loans issued.	Recovery.		Balance.		Secretary's initials.
			Principal.	Interest.	Principal.	Interest.	

Current / Savings Deposit Pass Book Ledger page No.

Date.	Amount received or repaid (in words).	Receipt.	Repayment.	Balance.	Secretary's initials.

8. *Application Form for Shares from Individual Shareholders in the Central Bank.*

1 Number of shares at Rs. each wanted.
2 Is share value to be paid in full or in instalments?
3 In whose name are the share certificates to issue?
4 Father's name of the shareholder.
5 Full address of the shareholder.
6 Profession of the applicants.
7 Amount remitted, if any, with the application.

Share value Rs.

Entrance fee Rs.

Declaration.—I agree to abide by the by-laws and rules of the bank now in force or to be brought into force hereafter.

I certify that I have never applied to be adjudicated a bankrupt or an insolvent nor am I an uncertificated bankrupt or undischarged insolvent. I further certify that I have not been expelled from membership of any co-operative society under the provisions of its by-laws during the period of two years preceding this date.

Date • (Applicant's signature)

9. *Allotment Notice.*

Date 193 .

No.

The Central Bank, Ltd.

To

Sir,

In pursuance of your application, dated the Directors have elected you as a member of the Central Bank, Ltd., and allotted to you shares of Rs. each in terms of the by-laws of this bank. I shall be obliged by your paying the sum of Rs. being Rs. per share due on allotment on or before . The form of your declaration accepting the membership hereto attached should be returned after signature.

Yours faithfully,

Secretary.

I, the undersigned, having applied for admission as a member of the Central Bank, Limited, and for shares in the Bank, do hereby declare that I have duly received the share allotment letter No. and do hereby also declare that I shall be bound by the existing by-laws of the Central Bank, Ltd., and by any modifications of or addition to such by-laws that may be legally effected during the period of my membership.

Dated 193 . (Signature)

Address

The Secretary,

Central Bank, Ltd.

10. *Call Notice.*

The Central Bank, Ltd., No.

Dear Sir,

I beg to give you notice that the call of Rs. per share has been made by the Board of Directors in accordance with the by-laws of the Bank on $\frac{\text{preference}}{\text{ordinary}}$ shares held by $\frac{\text{you}}{\text{your society}}$ in this Bank. The call amounts to Rs. only which please remit to the Bank on or before

Date 193 . Yours faithfully,

Secretary.

11. *Warning Notice.*

The Central Bank, Ltd., No.

193 .

Sir,

I am directed to remind you that the sum of Rs. due from you on account of instalment of shares subscribed by you has not yet been paid. You are hereby required to pay this amount together with the interest at per cent in terms of the bank's by-laws by . In the event of non-payment within the time named, the shares in question are liable to be forfeited with all previous payments that may have been made in respect of such shares.

Yours faithfully,

Secretary.

To

12. *Nomination Paper.*

(Pursuant to the rules under Madras Act VI of 1932.)

I,
residence
occupation
a member of the Central Bank, Ltd., and numbered in the society's book, do hereby nominate the following as the only person or the persons to or among whom shall be transferred my property in the society, whether in shares, loans or deposits, at my decease in such proportion or to the extent of the amount, as is specified opposite each nominee:—

Name of nominee.	Description or occupation.	Address.	Proportion or amount.

As witness whereof, my hand, this day one thousand nine hundred and
Signature of witness
Address
Signature of witness
Address

(Signature of shareholder.)

13. *Dividend Declaration Notice.*

The Central Bank, Limited.

Dated 193 .

Dear Sir,

Please take notice that at a general meeting of the bank held on dividend has been declared at the rate of per cent for the year and at this rate you are entitled to get Rs. on your shares. Rupees is also due to you as arrear dividend. Please arrange to receive payment of the above sums at an early date. This card should be presented.

Yours faithfully,

Secretary.

N.B.—**Please note that if the dividend is not claimed within three years from this date, it will be liable to be forfeited.**

14. *Share Transfer Form.*

To

The Secretary,

The Central Bank, Limited.

Application from , son of , shareholder No.

I intend to transfer shares Nos. held in my name in the Central Bank and I have received their value from , son of residing in

I hereby intimate the fact of such transfer to the Bank for its approval.

I agree to the payment of dividend on these shares to the transferee from the beginning of this co-operative year.
from the date of transfer only.

Dated 193 . (Signature)

I hereby accept the transfer of shares as noted above. *

Declaration.—I agree to abide by the by-laws and rules of the bank now in force or to be brought into force hereafter. I certify that I have never applied to be adjudicated a bankrupt or an insolvent nor am I an uncertificated bankrupt or an undischarged insolvent. I further certify that I have not been expelled from membership of any co-operative society under the provisions of its by-laws during the period of two years preceding this date.

Dated 193 . (Signature)

15. *Intimation of Loan Sanction Order.*

The Central Bank, Limited.

193 .

From

The Secretary,

The Central Bank, Limited.

To

The President,

The Society, No.

Post.

Sir,

I write to inform you that your application for a loan of Rs. has been sanctioned by the Directors. A document form is enclosed. Please get it executed and return it after registration as early as practicable. Please let me know as soon as you can when you wish to have the money and whether it should be sent by insured post or as a cash order on the taluk sub-treasury.

---

* (*a*) In their resolution , dated No for they have allowed the society a period of years/months. repayment of the loan involved.

Yours faithfully,

Secretary.

16. *Intimation of Dues.*

The Central Bank, Limited.

To

The President,

Society, No.

To

Your society has to pay to this Bank a sum of Rs. before the of the month of as particularized below. I request you will be good enough to remit the amount before the due date and obtain receipt for it. I hereby warn you that in case you fail to remit the said amount on that date, you will be charged a penal interest on the interest amount due at $7\frac{1}{2}$ per cent and the entire amount due under the bond is liable to be called up by this Bank.

Amount now due.

Loan number.	Principal.	Interest.	Total.	Date up to which interest is due.	Remarks.

193 .

Secretary.

17. *Reminder Intimation.*

The Central Bank, Limited.

Reminder No.

To

The President,

of Society, No.

Post.

Sir,

In this office warning notice, dated you were asked to remit to this Bank a sum of Rs. before of the month of and the same has not been complied with up to date; you are requested to arrange for the remittance before the of the month the amount due together with penalty as noted below.

Amount overdue.

Loan number.	Principal.	Interest.	Total.	Date up to which interest is due.	Remarks.

193 . *Secretary.*

18. *Notice of General/Committee Meeting.*

The Central Bank, Limited, No.

A General/Committee meeting of the above Bank will be held at

193 .

Dear Sir,

on to consider the following subject, your attendance is requested.

Subjects.

1.
2.
3.
4.

Yours faithfully,

Secretary.

19. *Cheque Form.*

CHEQUE FORM.

No.

Dated 193 .

For

Rs.

CHEQUE FORM.

No.

Dated 193 .

The Central Bank, Limited.

Pay to the sum of Rs.

(Rs.).

(*Signature*)

20. *Application for Recurring Deposit Account.*

To

The Secretary,

The Central Bank, Limited.

Dear Sir,

I request you to admit me as a Recurring depositor for months. I am prepared to pay a monthly deposit of Rs.

I agree to comply with the Bank's rule for the time being for the conduct of such account and such amendments and alterations as may be made to the rules from time to time.

Yours faithfully,

(Signature)

Address :

21. *Monthly statement of dues from Society.*

The Central Bank, Limited, No.

Statement of dues from societies from the month of 19 .

Society's name.	Lent.	Principal returned.	Due in current month.		Dues of previous months, B.F.		Penal interest.	Remarks.
			Principal.	Interest.	Principal.	Interest.		
		RS.	RS.	RS. A.	RS.	RS. A.	RS. A.	

Dated *Secretary.*

22. *Financial Statements for the quarter ending* 193 .

Name of the Central Bank .

PART I.

Liabilities and quasi-liabilities.

Outside the movement.				Within the movement.								
				Fixed deposits or loans received from Societies or Central Banks or Provincial Banks.							Undrawn liabilities, e.g., cash credit accounts guaranteed by the Provincial Bank to Central Banks and by Central Banks to other Central Banks or to Societies.	
Deposits, fixed, current, recurring, Provident Fund or Savings Bank, by non-members or by members in an individual capacity.	Debentures.	Drawn portion of cash credit from outside Banks, e.g., Imperial Bank of India.	Other items.	Total.	Transferred out of (5).	Drawn portion of cash credit with Madras Provincial Co-operative Bank.	Savings Bank or current accounts held in favour of societies or Central Banks.	Reserve Fund of the Bank itself.	Paid-up share capital.	Other items.	To cover deposits.	For loan transactions.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)

Assets and quasi-assets.

Outside the movement.								Within the movement.				
	Government paper (market value).			Post office.				Undrawn balance of cash credit with Madras Provincial Co-perative Bank.		Debentures of the Madras Co-operative Central Land Mortgage Bank (market value).		
	Purchased out of									Purchased out of		
Cash in hand and in outside Banks.	General funds (unencumbered portion).	Reserved Fund.	Pledged as cover for cash credit (encumbered portion).	Savings bank.	Cash certificates (entire purchase value).	Other investments of a liquid nature in outside concerns.	Undrawn balance of cash credit with Imperial Bank of India.	Obtained on the security of Government paper, fixed deposits and the debentures of the Madras Co-operative Central Land Mortgage Bank.	Obtained on the security of co-operative paper.	General Funds (unencumbered portion).	Reserve Fund.	Pledged as cover for cash credit and loans (unencumbered portion).
(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)

Assets and quasi-assets—*cont*.

Within the movement—*cont*.								Rates of interest on which money is usually			
Loans to Agricultural Societies.	Loans to Non-Agricultural Societies.	Loans or deposits due to the Central Bank by the Provincial Bank or other Central Banks.	Loans and deposits due to Provincial Bank by Central Banks.	Uncalled share capital.	Guaranteed share capital.	Other investments inside the movement.	Net profit of past years.	Borrowed.	Lent.	Last dividend declared.	Remarks.
(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)

Note to Part I.—Full details of the amount noted in columns (4), (11), (20) and (33) should be given here.

[Column (30) is intended for the Provincial Bank alone.]

PART II.

Statement showing the details of liabilities and loans falling due.

Deposits and debentures of the kind dealt with in columns (1) and (2) of Part I.											Amount of loans outstanding against societies [columns (27) and (28) of Part I].	Of the sum mentioned in column (12), the amount overdue from societies.	Repayment of loans by societies.		
On current accout.	On Savings Bank account.	Recurring and Provident Fund deposits.		Deposits for not more than three months.	Amount matured and not claimed.	Other deposits and debentures falling due.							Estimated.		Actual in twelve months preceding present quarter.
		Matured for payment.	Not matured.			In twelve months from commencement of present quarter (i.e., of quarter in which this return is submitted).		In the next twelve months.	In twelve months following.	In subsequent years.			In twelve months from commencement of present quarter	In next twelve months.	
						In the next thirty days.	In the next eleven months.								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)

Note to Part II.—When deposits are taken on a certain term of notice—

If the notice required is for not more than three months, they should be shown under column (4).

If the notice is for not more than a year, they should be shown under columns (5) and (6).

If the notice is for a year, they should be shown under column (7).

If for longer periods, under columns (8) and (9).

PART III.

Statement showing the liablities falling due in the next four quarters and the estimated repayment of loans by societies.

Portion of deposits and debentures of the kind dealt with in columns (1) and (2) of Part I falling due in each quarter in twelve months from commencement of present quarter [columns (7) and (8) of Part II].				Repayment of loans by societies estimated in each quarter in twelve months from commencement of present quarter [column (14) of Part II].			
I Quarter.	II Quarter.	III Quarter.	IV Quarter.	I Quarter.	II Quarter.	III Quarter.	IV Quarter.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

PART IV.

Statement showing the proportion of owned capital to liabilities.

Reserve fund and share capital [columns (9) and (10) of Part I].	Ten times column (2) in the case of central banks and twelve times in the case of the Provincial bank.	Total liabilities [columns (1) + (2) + (3) + (4) + (5) + (7) + (8) + (11) of Part I].	Excess liabilities [column (3) — (2)].	Share capital on the last day of the quarter [column (10) of Part I].	Share capital on the last day of the previous quarter.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)

NOTE TO PART IV.—Brief explanation should be given here when (i) liabilities [column (3)] exceed the standard laid down [column (2)] and when (ii) there is reduction of share capital in column (5) compared with column (6).

PART V.

Statement A showing Banks' fluid resources to cover a fixed percentage of deposits received from individuals and institutions other than Co-operative Societies.

Liabilities (outside the movement).						Fluid resources.	
Full amount shown in column (6) of Part II.	50 per cent of column (7) and such portions of column (5) of Part II.	Full amount of recurring and Provident Fund deposits which matured for payment [column (3) of Part II].	50 per cent of current deposits in the case of Central Banks and 40 per cent in the case of the Provincial Bank [50 per cent of column (1) of Part I].	25 per cent of savings deposits [25 per cent of column (2) of Part II].	Total of columns (1) to (5).	Cash on hand including Post Office Savings Bank deposits and cash certificates [columns (14), (18) and (19) of Part I].	Undrawn cash credit with the Imperial Bank direct [column (21) of Part I].
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

Fluid resources.						
Undrawn cash credit with the Madras Provincial Co-operative Bank obtained on the security of Government paper, fixed deposits, and the debentures of the Madras Co-operative Central Land Mortgage Bank [column (22) of Part I].	80 per cent of the market value of Government paper [80 per cent of column (15) of Part I (unencumbered portion)].	80 per cent of the market value of the debentures of the Madras Co-operative Central Land Mortgage Bank purchased out of General Funds up to a limit of one-third of the standard of fluid resource required to be maintained [80 per cent of column (24) of Part I up to a limit of 1/3 referred to above].	Total of columns (7) to (11).	Excess of columns (12) to (6).	Deficit of columns (12) to (6).	Remarks.
(9)	(10)	(11)	(12)	(13)	(14)	(15)

Statement B showing Banks' fluid resources in respect of cash credit allowed to other Societies to serve as cover for deposits in such Societies.

Fluid resources.				Liabilities inside the movement.			
Surplus amount mentioned in column (13) of Statement A.	Deficit amount mentioned in column (14) of Statement A.	Undrawn cash credit with the Madras Provincial Co-operative Bank, obtained on the security of co-operative paper [column (23) of Part I].	Total fluid resource available [columns (1) + (3) or columns (3) — (2)].	50 per cent of undrawn portion of cash credit allowed to societies as cover for deposits [50 per cent of column (12) of Part I].	Excess of columns (4) to (5).	Deficit of columns (4) to (5).	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

NOTE TO PART V.—Explanation in cases where the total fluid resources fall below the standard prescribed should be given here.

NOTE TO COLUMN (7) OF PART V—Statement A.—Only Rs. 1,000 out of Savings Bank deposits in column (18) of Part I should be taken.

__________CENTRAL CO-OPERATIVE BANK (LIMITED),

*Dated*________________193 .

Secretary.

23. *Notes on Loan Application.*

THE CENTRAL CO-OPERATIVE BANK, LTD.

Memo. on the loan application dated ——————of the ——————
C.S. No.——————in the ——————Union,——————
District for Rs. —————— $\frac{\text{Long term}}{\text{Short term}}$

(2) Purpose, period and instalments.

(3) Share capital of members—
- (*a*) Paid up.
- (*b*) Shares in Bank—
  - (1) Paid up.
  - (2) Arrears.
  - (3) New shares (if any required).

(4) Reserve Fund—
- (1) Due.
- (2) Invested in Bank.
- (3) Arrears.

(5) (*a*) Maximum borrowing power.
(*b*) Do. (long-term limit Rs.).

(6) Net value of members' properties.

(7) Date of starting.

(8) Cash balance (if any).

(9) Previous borrowings—
- (*a*) from other sources.
- (*b*) from the Bank S.T.
  L.T.

Loan number.	Date.	Amount lent.	Amount repaid.	Balance.	Overdues.			Next due dates	
					Principal.	Interest.	Date.	Date.	Amount.

(10) Loans to members and their overdues (if any).

(11) Individual maximum borrowing power in the society—
- (1) Long term, Rs.
- (2) Short term, Rs.

(12) (*a*) Loans outstanding to the society :

Outstanding.	Overdue less than one year.	Overdue more than one year
(1) Panchayatdars.		
(2) Others.		

(*b*) Overdues—

(i) Action not taken.

(ii) Pending arbitration.

(iii) Decrees without action.

(iv) Decrees pending execution.

(v) Decrees more than three years old.

(13) Are any of the loans mere renewal of the previous loans ? If so, to what extent ?

(14) Are any of the members chronic defaulters in previous loans ?

(15) Are the dates of repayments fixed in accordance with the time of receipt of the income of the member ?

(16) Whether the full particulars of the properties mortgaged given, survey numbers, extent, value, boundaries, etc.

(17) Whether the purpose of the loan is for proper and good reasons ?

(18) Whether all the members of the family having right in the property (coparceners and maintenance holders) joined in the loan application ?

(19) Whether applicants have got proper title-deeds to the properties and whether they have been examined ?

(20) What are the loans for which encumbrance certificates are to be applied ?

(21) Has the Union cut down or refused the amount of loan to any member ?

(22) Has the Union changed the surety or the mortgaged security ?

(23) Whether the value of the mortgaged security is sufficient for securing the loan if not in what case ?

Remarks of the Secretary.

Remarks of the Executive Committee members—

(1)

(2)

(3)

(4)

(5)

23 (*a*) *Office-note.*

THE CENTRAL CO-OPERATIVE BANK, LTD.

Disbursement of Loans.

(1) Number and name of society

(*a*) Number of loan application.

(2) Name of Union to which it is affiliated.

(3) Amount of loans sanctioned—S.T.
L.T.

(4) Number and date of Executive Committee's resolution sanctioning the loan, or
Date, in which E.C. members have sanctioned it.

(5) Is the bond received from the society? When was it received?

(6) Is the bond in order? Is it executed by at least one of the office-bearers, President or the Secretary, as per by-law 25 of the C.S.?

(7) (*a*) Have all the applicants absolute title to the property mortgaged?

(*b*) Have they got their title-deeds with them and whether the certificate to this effect has been received?

(*c*) Have the panchayatdars and the Karnam's certificate as to possession and non-encumbrance and value received?

(*d*) Have encumbrance certificates in respect of properties mortgaged by members to the society been received for scrutiny?

(8) Have the properties in encumbrance certificates been verified with those found in the loan application?

(9) Is there any discrepancy in the properties as contained in the loan application and that in the encumbrance certificates?

(10) Is there any prior encumbrance on the property so mortgaged? If so, has the panchayat certified that the encumbrance has since been cleared?

(11) Is the resolution of the panchayat regarding the mode of remittance received? Is it duly signed by at least three panchayatdars?

(12) What is the date of resolution? Is the resolution signed by the panchayat members present at the meeting?

(13) Is the entire amount sanctioned disbursed? If not, note the reason for part payment.

(14) Amount proposed to be disbursed?

(15) Have all the conditions in the loan order been carried out?

(16) Any other remarks.

(17) Secretary's order.

23 (*b*). *Loan Verification Report.*

THE CENTRAL CO-OPERATIVE BANK, LTD.

(1) Number and name of society ..

(2) Union to which the society is affiliated.

(3) Name of Supervisor.

(4) Loan number.

(5) Date of credit of the loan by the society.

(6) Date of disbursement to members.

(7) Date of verification by the supervisor.

(8) Whether disbursed before the panchayat or in whose presence disbursed.

(9) Whether there is any delay in the disbursement and if so, what is it due to.

(10) Whether parties' signatures have been obtained in the Day Book and whether the signatures are like those in the admission book and other papers or books.

(11) Whether encumbrance certificates and prior vouchers obtained in the case of loans on mortgages and for clearing prior debts.

(12) Whether the bonds are properly executed and attested. (The signatures of the parties should be compared with those admitted by them.)

(13) Whether the by-laws of the society re: sanction and disbursement of loan have been observed in all cases.

(14) (*a*) Deviations made in disbursement, if any.

	As per loan application.	As per verification report.
	M. No. Amount. Security.	M. No. Amount. Security.

(*b*) Reasons for the deviations.

(*c*) Whether the deviations have been recorded in the panchayat meeting or general body.

(*d*) Remarks of the Supervisor.

(*e*) Whether the Union approves of such deviations.

NOTE.—The Supervisor should certify in the case of change of surety that the new sureties are eligible to stand as sureties and have got sufficient net assets. He should also note the net assets of such members.

Loan No. | Name of Society. | Seal of the Society.

Particulars of loans disbursed to members.

L. number.	Date of disbursement of loan.	Number and name of member.	Amount.	Purpose.	Period	Number and name of surety.	Particulars of mortgaged properties and value.	Signature of the member.	Remarks.
			RS. A. P.						

We, the undersigned panchayatdars hereby certify that the loans disbursed as shown above are good and easily recoverable, that they are not in contravention of the by-laws of the society or of the rules laid down by the bank and that there has been no deviations whatever from the original loan application in the disbursement of the loans. We also certify that the properties mortgaged by the members specified above are free from any encumbrances.

President. *Panchayatdar.* *Panchayatdar.* *Panchayatdar.*

Panchayatdar.

Secretary.

NOTE.—In the case of illiterates, thumb-impressions obtained should be clear and attested by witnesses.

24. *Memorandum to the Executive Committee on the cash credit application of the society affiliated to union, district.*

THE CENTRAL CO-OPERATIVE BANK, LIMITED.

RS.

For A account (for) ..

,, B account (for loan transaction) ..

Recommendation of the union. (1) Paid-up share capital of the society in the bank is .. .. ..

(2) Reserve fund of the society is (paid) ..

(3) Other investments of the society ..

(4) Total investment in the Central Bank Society's maximum borrowing power is .. ..

	Outstanding.	Overdue.
(5) It has borrowed from the Central Bank—	RS.	RS.
(1) Long-term loans for ..		
(2) Short-term loans for ..		
(3) Cash credit A account ..		
(4) Cash credit B account ..		
(5) Advance		
Total ..		
(6) Other borrowings of the society are—		
(1) Fixed deposits		
(2) Current deposits		
(3) Others (Provident fund, savings bank, etc.)		
Total borrowings of the society ..		
(7) (*a*) Members' outstandings to the society		
(*b*) Overdues		
Total ..		

(i) Classification of overdues—

Less than one month.	More than one month and less than three months.	More than three months and less than six months.	More than six months and less than one year.	More than one year.
RS.	RS.	RS.	RS.	RS.

(*c*) Action taken—

	Number.	Amount.
		RS. A. P.
(1) References pending decree ..		
(2) Decrees pending execution ..		
(3) Decrees under execution ..		
(4) No action taken		

(8) Amount standing on—
(1) Personal security.
(2) Other security, i.e., land or produce.

	RS.
(9) (*a*) Paid-up share capital of members ..	
(*b*) Share capital arrear	
(10) Amount of cash credit sanctioned during the last year "A"	

Demands on the society to repay deposits during the months of—

	Amount becoming due on 30th of	Amount drawn during last year on the 30th of
	RS.	RS.
January		
February		
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		

(11) Cash credit sanctioned to society in B account last year .. .. ..

Short-term business done by the society—

Month.	Amount.	Amount drawn in B account last year.
	RS	RS.
January		
February		
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		

(12) Whether the Directors have any arrears in any account.

(13) Whether the society is working at a profit.

(14) Any remarks in audit regarding cash or accounts. Specify.

(15) Recommendation and remarks.

25. *Application for Fixed Deposit.*

The Co-operative Central Bank, Limited.

To

The Secretary,

The Co-operative Central Bank, Limited.

Dear Sir,

Kindly open a fixed deposit account in the name of $\frac{\text{Mr.}}{\text{Mrs.}}$ for Rs. Rupees (in words) for months bearing interest at per cent per annum, interest being payable half yearly, I agree to comply with the rules of the Bank for the conduct of such account.

Place — Yours faithfully,

Date — (Signature).

Specimen signature.

Name in full.

Age.

Occupation.

$\frac{\text{Father's}}{\text{Husband's}}$ name.

Nominee, if any.

Address.

26. *Deposit Slip.*

The Central Bank, Limited.

(Registered under India Act II of 1912.)

1. Name in full.
2. Occupation.
3. Residence.
4. Amount of deposit.
5. Term—
   (i) Annual.
   (ii) Half-yearly.
   (iii) Quarterly.
6. * To whom returnable.
7. Address.

Declaration.—I agree to abide by all the rules of the Bank now in force and to be brought into force hereafter.

STATION

Date 193 . (Signature.)

* Here enter the person or persons to whom you wish your interest in the Bank to be transferred in case of death unless the deposit is made under "Either or survivor" system.

27. *Paying-in Slip.*

193 .

Paid to the credit of		Paid to the credit of	
With the Central Bank, Limited.		With the Central Bank, Limited.	
	RS.		RS.
Notes		Notes	
Cash		Cash	
Sovereigns		Sovereigns	
Cheques for credit on realization.		Cheques for credit on realization.	
Total ..		Total ..	
Received.		Received.	
	Cashier.		*Cashier.*
	Accountant.		*Accountant.*

28. *Application for Loan*

From

M.R.Ry.

Secretary,

Co-operative Central Bank, Limited.

To

The Secretary,

The Madras Provincial Co-operative Bank, Ltd.,

Mylapore, Madras.

SIR,

I request you will be good enough to obtain for the Bank a loan of Rs. (in words) from your Bank.

The loan will be taken in instalments as noted below:—

Approximate date 193 , Amount
193 ,,
193 ,,

Of the amount of loan asked for, a sum of Rs. may be treated as a short-term loan repayable within months. The balance will be repaid in instalments as shown below within years.

2. I append below the usual particulars showing the financial condition of the Bank.

3. A copy of the resolution of the $\frac{\text{Board of Management}}{\text{Executive Committee}}$ authorizing the obtaining of the loan is enclosed.

Yours truly,

OFFICE OF THE BANK,
Dated 193 .

Secretary.

APPENDIX.

Financial condition of the Bank on the date of application.

RS

I. Share capital invested in the Provincial Bank ..

II. Owned capital of the Bank—

(1) Subscribed share capital .. .. ..

RS

(2) Paid-up share capital .. ..

(3) Reserve fund .. .. ..

(4) Total of columns (2) and (3) .. .. .

III. Maximum borrowing power calculated on the amount shown in II (4) .. ..

IV. Borrowed capital of the Bank—

(1) Deposits—

(*a*) From individuals .. .. ..

(*b*) From Local Boards and Municipalities including Provident Funds and Railway cess and the security deposits of Abkari and other contractors .. ..

(*c*) Reserve fund of societies .. ..

(*d*) From other sources .. .. ..

(2) Other borrowings—

(*a*) From Provincial Bank (loans) .. ..

(*b*) Other sources .. .. ..

(*c*) Overdraft from Imperial Bank and Madras Provincial Co-operative Bank—

RS.

(1) Total amount sanctioned..

(2) Of the amount in (1) the amount set apart for fluid resource and not actually drawn ..

(3) Of the amount in (1) the amount drawn and actually outstanding against the Central Bank on the date of application .. ..

(4) The difference between sub-heads (1) and (2) ..

(3) Total borrowings .. ..

RS.

V. Reserve borrowing power (III—IV) .. ..

VI. (1) Total amount of loans outstanding against primary societies—

RS.

(i) Short term .. .. ..

(ii) Long term .. .. ..

(2) Of the amount in (1) (i) the amount of short-term loans repayable within the next twelve months.

(3) Of the amount in (1) (ii) the amount of long-term loans falling due within the next twelve months.

VII. Borrowings from the Provincial Bank repayable during the next twelve months—

(*a*) of long-term loans .. .. ..

(*b*) of short-term loans .. .. ..

VIII. The amount of deposits actually falling due for repayment during the next twelve months.

IX. Purpose for which the loan is required—

(*a*) If for loans to societies—

	Short term.	Long term.
	RS.	RS.
(1) Loan orders sanctioned but pending payment		
(2) Loan orders pending sanction ..		
(3) Loan orders expected to be received.		
Total ..		

(*b*) If for repayment of deposits give details.

NOTE.—The figures against IV (2) (*c*) (3) should be entered in the inner column and those against IV (2) (*c*)(4) in the outer.

X. Particulars about affiliated societies as on 193 .

Particulars.	Credit.		Other types of societies.	Total.
	Limited liability.	Unlimited liability.		
1. Number of societies affiliated to the Bank				
2. Number of indebted societies.				
3. Amount owed to the Bank .. .. Rs.				
4. Amount of overdue Principal * .. .. Rs.				
5. Number of defaulting societies.				
6. Amount involved in arbitration references, civil suits and decrees .. Rs.				
7. Number of societies concerned				
8. Amount due by societies under liquidation .. Rs.				
9. Number of societies concerned				
10. Amount for which extensions were granted—				
(i) lasting beyond the current co-operative year .. .. Rs.				
(ii) but payable within the current co-operative year .. Rs.				
11. Number of societies to which extensions were granted ..				
12. Interest overdue to the Bank .. .. Rs.				

* The amount of overdues to be shown in column (4) will exclude amounts shown against columns (6), (8) and (10).

Secretary.

Resolution of the Board of Management / Executive Committee, dated

President.

Secretary.

Enclosure B to the loan application of *Co-operative Central Bank, Ltd.*

To the Madras Provincial Co-operrtive Bank, Ltd.

Purposes for which loans are required by societies.

Serial number.	Name of society.	Amount of loan sanctioned by the Central Bank.	Classify the amount asked for according to the purposes for which the loans are wanted by the members of the societies.												Number of members that have applied for loans.				
			Cultivation and/or Harvesting expenses.	Household expenses.	Payment of kist.	Holding up produce for a better market.	Trade.	Purchase of land.	Improvements to land.	Sinking wells	Purchase of cattle.	House Building.	Discharge of prior debts.	Other purposes.	Panchayatdars.		Old Members.		New members.
															Defaulters.	Non-Defaulters.	Defaulters.	Non-Defaulters.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
		RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.					

Enclosure C to the loan application of *Co-operative Central Bank, Ltd.*

To the Madras Provincial Co-operative Bank, Ltd.

Financial condition of societies that have applied for loans.

Serial number.	Name of society.	Date of Latest Property Statement.	Net Assets.	Reserve fund.	Latest Audit classification.	Profit or Loss for the last year.	M. B. P. of the Society.	Number of members in the Society.	Number of borrowers from the Society.	Amount outstanding against members.		Number of defaulters.	Number of overdue loans.	Amount overdue from members.		Amount due to central bank.	Of which overdue.	Loans due to central bank under extension.	Interest overdue to the central bank.
										Number of loans.	Amount.			Principal.	Interest.				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
			RS.	RS.		RS.	RS.				RS.			RS.	RS. A. P.	RS.	RS.	RS.	RS. A. P.

29. *Central Banks Progress Report for the month of* 193 .

Item.	Held at the beginning of the month.	Received during the month.	Paid off during the month.	Held at the end of the month.
	RS.	RS.	RS.	RS.
1. Share capital— (a) Individuals (Paid up). (b) Societies (do.).				
Total ..				
2. Fixed Deposits— (a) Individuals and Institutions, etc. (b) Local Boards and Municipalities. (c) Security Deposits of Government servants and contractors (Abkari, Jail, Fisheries, etc.). (d) Societies' Reserve Fund. (e) Societies' Fixed Deposits.				
Total ..				
3. Current Deposits ..				
4. Other Deposits (such as Savings, Recurring, Provident, etc.).				
5. Loans from Madras Provincial Co-operative, Bank, Ltd.				
6. Overdrafts— (a) Imperial Bank of India. (b) Madras Provincial Co-operative Bank, Ltd.				
Total ..				

Item.	Outstanding on 30th June last.	Disbursed by the Bank.		Repaid to the Bank.		Outstanding at the end of the month.
		Up to the month.	During the month.	Up to the month.	During the month.	
	RS.	RS.	RS.	RS.	RS.	RS.
7. Loans— (a) Due by Depositors. (b) Due by Societies. (c) Cash credits ..						
Total ..						

Item.	Up to the month.	During the month.	Total.
	RS.	RS.	RS.
8. Interest on loans received			
9. Interest on Deposits, Loans and Overdrafts paid.			

Item.	Principal.	Interest.
	RS	RS.
10 Overdues as on 30th June last		
11 Demand from 1st July last to the end of the month under report.		
Total ..		
12 Collections from 1st July last to the end of the month under report.		
(1) Out of overdues (i.e., out of item 10)		
(2) Out of current demand (i.e., out of item 11).		
13 Loans overdue from societies—No. of Societies concerned. Principal. | Interest.		
Under one year		
Over one year but under two years		
Over two years		
Total ..		
14 Amount out of the above for which extensions have been given.		
15 (*a*) Cash on hand on the last day of the month.		
(*b*) Cash in Bank on the last day of the month.		
16 Number of Societies affiliated to the Bank on the last day of the month.		
17 Number of Societies indebted to the Bank on the last day of the month.		
18 Number of Societies in default to the Bank on the last day of the month.		

Date. *Secretary.*

LIST OF ACCOUNT BOOKS MAINTAINED BY STORES.

1. *Minute Book.*—This book will contain the by-laws as approved by the Registrar and his certificate of registration under the Act. All the resolutions passed at the meetings of the general body and of the Board of Directors should be recorded in it.

2. *Share Application Register.*

3. *Admission Book.*—The names of members and the share capital contributed or yet to be contributed by them will be found.

4. *Day Book.*

5. *Storekeeper's Day Book.*—In this all goods received into the stores should be entered in the order of their receipt whether the goods are paid for or not. This need not be maintained in small stores.

6. *Purchase Book.*—Every purchase must be borne out by an invoice which must be consecutively numbered and carefully filed.

7. *Goods Ledger.*—A page or pages should be set apart for every one of the goods dealt with together with an index at the beginning. Columns 3 and 4 are posted from the register of purchases. Columns 5 and 6 represent the issues to the salesman's stock and also sales in bulk and in column 7 the balance is struck every time the issues or purchases are made.

7 (*a*). *Incidental Charges Register.*

8. *Prices Register.*—It is kept on separate pages for each article. The sub-committee for fixing prices from time to time makes the entries in the register.

9. *Register of Condemned Articles.*

10. *Register of Issues to the Salesman's Stock.*—In this register all the articles issued from the main stock are entered serially and the salesman acknowledges them in column 6. The salesman is responsible for the cost in column 5 and is bound to remit whatever may be the sale-proceeds every day to the Secretary or other officer authorized to receive them. In columns 8 and 9 the amounts remitted daily must find a place and the acknowledgment obtained of the Secretary or other officer authorized to receive them. This register must be maintained in duplicate one being with the Secretary and the other with the salesman.

Note.—Balance should be struck at each time of issue of stock to the salesman so as to indicate the value of the stock with the salesman.

11. *Sales Chit.*—For every sale from the stores, there must be a sale chit in triplicate. One copy is issued to the purchaser and one is retained in the book and one is given to be filed as vouchers for the day book by the Secretary. Credits should be made in the cash book

as per sale chits and the total should tally with No. 12. The officer entrusted with the cash balance should verify No. 12 and acknowledge in it the receipt of cash balance.

12. *Daily Sales Book*. This book is intended to show the total value of goods sold daily and it is prepared from the sales chit book. The amount of goods sold in each chit is entered in consecutive order and totalled up. This should be kept in duplicate, one by the Secretary and the other by the salesman.

13 & 14. *Register of Contingent and Establishment Charges.*—This register may be maintained separately and the totals brought to day book. This may be a subsidiary day book for these items and in the same form as the day book.

15. *Register of Trade Advances.*—This will show sums of money paid by members in advance either in cash or by raising credit and it will be recouped whenever the advance is over. The daily sales find debit in such accounts and a balance is struck every day.

16. *Supplier's Personal Ledger.*—This will be necessary where there may be delay in payment of value of stores purchased. This need not be maintained in smaller stores.

17. *Register of Purchases made by Members.*—This book is maintained to enable the society to find out the total value of goods purchased by a member in a year so that the bonus that should be paid on purchases can be calculated. This need not be maintained in stores unless it can afford to keep a separate establishment. It is enough if the triplicate copy is filed member by member.

18. *Register of Deficit by Wastage and Dryage.*—A scale may be fixed by the Board of Directors in a register.

19. *Receipt Book.*—Where goods are held under security by a credit bank, a register in Form No. 7 should be separately maintained and issues made to the stores will have to be acknowledged by the Secretary and credited in the Stores No. 7 Register.

20. *Register of Fixed Deposits.*

21. *Recurring Deposit Ledger.*

22. *Reserve Fund Ledger.*

23. *General Ledger.*

24. *Stock Book of Forms and Furniture.*

25. *General Current Register.*

26. *Disposal Register.*

27. *Despatch Register.*

28. *Acquittance Roll.*

29. *Posting Statements of Receipts and Disbursements.*

30. *Joint Purchase Register.*

31. *Register of Joint Sales.*

2. *Share Application Register.*

1	Serial number.	
2	Date of application.	
3	Name of the applicant. Father's name. Age. Caste or tribe. Profession.	
4	Place of residence.	
5	Number of shares desired.	
6	Signature or mark of the applicant.	
7	Resolution number of the Board of Directors.	
8	Distinctive number of shares allotted.	
9	Number and date of resolution.	
10	Initials of the President or Secretary.	
11	Remarks.	

3. *Admission Book.*

Serial number.	Date of admission.	Num er of Resolution of the Board of the Directors.	Full name of member with father's name.	Address.	Occupation.	Number of shares taken.	Amount payable as share capital (value of shares taken).	Amount actually paid on the date of joining.	Balance when payable.		Payment on account of balance of subscribed share capital.	
									Date.	Amount.	Date.	Amount.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)

Date of completion of paid-up share capital.	Entrance fees collected.	Extent and nature of liability of the member to the debts of the society besides the share capital paid.	Signature of the member (when the member cannot sign, two witnesses should attest his thumb impression or other mark).	Full name and address of persons nominated by the member and recorded in the books of the society.	Date of cessation of membership.	Secretary's initials.	Auditor's initials.	Remarks.
(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)

Repayments by the society.				Signature or thumb-impression of payee and if a marksman, attestation of two witnesses to be taken.	Secretary's initials.	Auditor's initials.	Remarks.
Date.	Number of shares returned.	Share capital amount refunded.	Resolution number of the Board of Directors.				
(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)

4. *Day Book.*

Receipts.

Year, month and date.	General number.	Name of remitter.	Particulars of receipt (with number of resolution of the Board of Directors).	Receipt number.	General ledger folio.	Amount received		Total.	Remarks.
						In cash.	By adjustment.		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

Expenditure.

Year, month and date.	General number.	Name of payee.	Particulars of payment (with resolution number of the Board of (Director).	Voucher number.	General ledger folio.	Amount paid		Total.	Remarks.
						In cash.	By adjustment.		
(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)

5. *Storekeeper's Day Book.*

Serial number. (1)	Name and description of goods received. (2)	Quantity as per invoice. (3)	Quantity as per verification. (4)	Initials of the storekeeper. (5)	Reference to folio of goods ledger. (6)	Reference to the folio of purchase book. (7)	Date when value was paid. (8)	Initials of the Accountant. (9)	Remarks. (10)

6. *Purchase Book.*

Date. (1)	Serial number. (2)	Voucher number. (3)	From whom bought. (4)	Name of the article purchased. (5)	Quantity. (6)	Rate. (7)	Amount. (8)	Total. (9)	Remarks. (10)

7. *Goods Ledger.*

Name of the goods.

Date.	Invoice number.	Purchase.		Sale.		Balance of goods (quantity).	Verified balance.	Wastage.		
		Quantity.	Price.	Quantity.	Price.			Quantity.	Explanation.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

7 (*a*). *Incidental Charges Register.*

Invoice number.	Amount as per invoice.	Incidental charges incurred.		Charges per rupee of the cost.	Name of articles.	Cost of each article.	Charge for each article at rate in col. (4)	Remarks.
		Particulars.	Amount.					
(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)

8. *Prices Register.*

Name of the article.

Date.	Cost price.	Transit charges.	Percentage added.	Selling price per unit.	Bazaar price for a unit.	Initials of the prices committee.	

Prices Register.

Name of the articles.

Bazaar retail price per unit as ascertained on }

Selling price per unit sanctioned }

This rate will be in force till

Signature or initials of the members of the prices committee. }

9. *Register of Condemned Articles.*

Date.	Name of the article.	Quantity.	Original cost price.	Value for which sold.	Difference between columns (4) and (5).	Circumstances under which the article was damaged; under whose order and the manner in which the article was sold.
(1)	(2)	(3)	(4)	(5)	(6)	(7)

10. *Register of Issues to the Salesman's Stock.*

(To be maintained in duplicate.)

Date.	Name of the article.	Quantity.	Rate at which to be sold.	Value for each article at the rate in column (4).	Initials of the salesman.	Date.	Amount paid by salesman.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

11. *Sales Chit.*

Serial number.

Name of member.

Description of goods sold.	Quantity.	Value.	Remarks.

Date. *Accountant.*

12. *Daily Sales Book.*

(To be maintained in duplicate.)

Date.	Sales chit number in consecutive order.	Amount.	Total.	Remarks.

14. *Register of Contingent and Establishment Charges.*

(Same as Central Bank model Nos. 33 and 25.)

15. *Register of Trade Advances.*

Name and number of the member.

Amount of trade advance allowed.

Date. (1)	Credit. (2)	Debit. (3)	Balance. (4)	Initials of the Secretary. (5)

16. *Supplier's Personal Ledger.*

1. Name of the merchant who supplies the goods.
2. Address in full.

Date. (1)	Invoice number and date. (2)	Name and quantity of goods received. (3)	Reference to the storekeeper's day book. (4)	Unit. (5)	Rate. (6)	Amount. (7)	Other charges. (8)	Total amount due. (9)

Amount paid. (10)	Reference to page of the purchase book. (11)	Balance due. (12)	Quantity rejected. (13)	Value of rejected quantity. (14)	Value recovered. (15)	Date of recovery. (16)	Remarks. (17)

17. *Register of Purchases made by Members.*

General number. Name of member.

Date. (1)	Sales chit number. (2)	Amount of purchase. (3)	Remarks. (4)

18. *Register of Deficits by Wastage and Dryage.*

Name of article.	Deficit allowable in units for a total unit.	Number and date of resolution allowing the rate.	Remarks.
(1)	(2)	(3)	(4)

19. *Receipt Book.*

No.

Receipt issued by Co-operative Society No.

General No.

1. Name of the person paying money.
2. Amount paid (in words).
3. Particulars of payment.
   - Share subscriptions.
   - Entrance fees.
   - Savings deposits and account No.
   - Provident deposit No.
   - Loan Principal to account No.
   - Interest to account No.
   - Fixed deposit No. years months at per cent per annum.
   - Other items.

Total ..

4. Date of payment.

Secretary.

Panchayat member.

Clerk.

20. *Register of Fixed Deposits.*

[Same as No. 28 (*a*) of the Unlimited Liability model.]

21. *Recurring Deposit Ledger.*

(Same as No. 9 of the Unlimited Liability model.)

22. *Reserve Fund Ledger.*

(Same as No. 14 of the Unlimited Liability model.)

23. *General Ledger.*

[Same as No. 5 (*b*) of the Limited Liability model.]

24. *Stock Book of Forms and Furniture.*

(Same as No. 7 of the Central Bank model.)

25. *General Current Register.*

Same as No. 16 of the Union model.)

26. *Disposal Register.*

(Same as No. 18 of the Union model.)

27. *Despatch Register.*

(Same as No. 19 of the Union model.)

28. *Acquittance Roll.*

(Same as No. 15 of the Unlimited Liability model.)

29. *Posting Statement of Receipts and Disbursements.*

(Same as No. 13 of the Unlimited Liability model.)

To contain as many columns as there are items.

RECEIPTS.

1 Date
2 Share capital—members
3 Do societies
4 Entrance fees
5 Fixed deposits—members
6 Do non-members
7 Recurring deposits—members
8 Do. non-members
9 Loans from members
10 Do. non-members
11 Do. central banks
12 Do. societies
13 Trade advance from members
14 Do. societies
15 Loans repaid by members
16 Do. societies
17 Interest on society's purchase balances
18 Do. investments—savings bank
19 Do. reserve fund
20 Do. realized on lands to members
21 Dividend on central bank shares
22 Sale proceeds—Salesman's
23 Do. Secretary's
24 Suspense—member
25 Do. societies
26 Other items
27
28 Total
29 Remarks

Disbursements.

1 Date

2 Purchase of articles

3 Advances to trading firms

4 Shares refunded—members

5 Do societies

6 Refund of fixed deposits—members

7 Do do non-members

8 Do recurring deposits—members

9 Do do non-members

10 Do loans—members

11 Do do non-members

12 Do do central bank

13 Do do societies.

14 Do trade advances—members

15 Do do societies

16 Loans to members

17 Do societies

18 Interest paid on central bank loans

19 Do member's loans

20 Do other societies' loans

21 Do non-members loans

22 Do deposits of members

23 Do do non-members

24 Dividend distributed

25 Bonus distributed

26 Reserve fund

27 Supervision fund

28 Current account deposit

29 Establishment charge

30 Account books

31 Postage

32 Stationery

33 Remittance

34 Suspense refunded—member

35 Do societies

36 Other items

37 Total

38 Remarks

30. *Joint Purchase Register.*

(Same as No. 22 of the Unlimited Liability model.)

31. *Register of Joint Sales.*

(Same as No. 23 of the Unlimited Liability model.)

Weavers' society.

Day Book.

Date. (1)	Receipt number. (2)	Voucher number. (3)	Particulars. (4)	Personal ledger folio. (5)	Number of bundles of yarn sold. (6)	Number received. (7)	Value of yarn supplied to weavers. (8)	Cash receipts. (9)	Cash payments. (10)	Remarks. (11)
							RS.	RS.	RS	

Yarn Stock Register.

Name of Mill. Kind of Yarn / colour *Usual Price per bundle.

Date.	Number of invoice or bill.	Personal ledger folio.	Particulars.	Purchases.		Sales.		Balance.		Initials of Secretary.	Initials of Auditor.	Remarks.
				Number of bundles.	Value.	Number of bundles.	Value.	Number of bundles.	Value.			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)

Note.—A few pages in this Register for each kind of yarn may be allotted.
Daily totals of purchases, sales and balance of Stock should be entered.
The value should be in cost price.

Register of Finished Products.

Number of counts. Dimensions. Kind.

Serial Number. (1)	Name of member from whom received. (2)	Particulars. (3)	Date of receipt. (4)	Ledger folio. (5)	Cost price. (6)	Commission. (7)	Sale price. (8)	Value realized. (9)	Date of sale. (10)	Number of Bill. (11)

Note.—All the goods received will be numbered serially and entered consecutively. The Serial number of finished product sold should be rounded off.

Personal Ledger.

No. Name of member. Share capital. Name of surety.

Maximum borrowing power.

Date.	Ledger folio.	Voucher or receipt number.	Particulars (of yarn, counts, colour, etc.).	Borrowings.			
				Yarn advance.		Cash advance.	Total.
				Number of bundles.	Value. RS.		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

Payments.						Balance due.	Secretary's initials.	Auditor's initials.
Due date.	Date of payment.	Finished goods.		Cash.	Total.			
		Value C.P.	Coolie.					
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)

NOTE.—A pass book with these columns should be given to each member.

Goods Consignment Register.

Date.	Number of bundle.	Particulars.	Value of goods sold on consignment.	Money received.	Value of goods returned.	Balance.	Secretary's initials.	Auditor's initials.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6	(7)	(8)	(9)	(10)

A. LIST OF REGISTERS MAINTAINED BY LAND MORTGAGE BANKS.

1. *Minute Book.*

In this book copies of (*a*) application for the registration of the bank, (*b*) the by-laws of the bank as approved by the Registrar and (*c*) the certificate of registration from the Registrar will be entered. The resolutions of the General Body meetings and of the Board of Directors will thereafter be entered as they are passed. All meetings should be numbered, the meetings of the Board of Directors bearing one set of serial numbers and the General Body meetings another; similarly the Board of Directors' resolutions and the General Body resolutions should be numbered separately. The numbers should be consecutive for the co-operative year commencing on 1st July and ending on 30th June following. In the case of a General Body meeting, the date and place of the meeting should be first entered in the minute book. Then the name of the President if present with his designation as well as the names of all the members present, should be written one below the other. If the President is not present, the names of all the members should be entered one below the other and then the name of the person who presided over the meeting should be given. All resolutions should be entered consecutively and numbered and the minutes of the proceedings signed by the President or the presiding member.

In the case of meetings of the Board of Directors, the date and place of the meeting should first be entered and then the resolutions in order. Lastly the signatures of all the members of the Board of Directors present should be obtained. Each subject should be dealt with in a separate resolution and when the subject matter is the same resolution should be distinct if the persons affected are different.

Consecutive numbers to the resolutions and meetings should cease on the 30th of June every year. The object in giving consecutive numbers to the meetings and resolutions is to see at a glance the number of General Body meetings and meetings of the Board of Directors held and the number of resolutions of the Board of Directors and General Body passed in the co-operative year ending June 30th.

2. *Cash Book.*

Month and date.	Particulars.	Reference to page in General Ledger.	Receipts.	Charges.

3. *Receipt Book.*

Land Mortgage Bank, Ltd.

RECEIPT.

No.

RS. A. P.

1. General number and name of the person paying the money.

2. Amount paid .. ..
   (in words)

3. Particulars of payment—

   (i) Share subscriptions .. ..

   (ii) Entrance fees .. ..

   (iii) Loan No. Principal .. .. ..

   (iv) Do. Interest .. .. ..

Total ..

4. Date of payment.

Clerk. *Secretary.*

Land Mortgage Bank, Ltd.

RECEIPT.

No.

RS. A. P.

1. General number and name of the person paying the money.

2. Amount paid .. ..
   (in words)

3. Particulars of payment—

   (i) Share subscription .. ..

   (ii) Entrance fees .. ..

   (iii) Loan No. Principal .. .. ..

   (iv) Do. Interest .. .. ..

Total ..

4. Date of payment.

Clerk. *Secretary.*

4. *Register of Members (A Class).*

1 Admission number.
2 Name.
3 Father's name.
4 Age.
5 Caste.
6 Residence.
7 Occupation.
8 Address.
9 Nominees, if any (under by-law 13).
10 Date of registration of the nomination. (By-law 13).
11 (*a*) Names of villages :—In the jurisdiction of the Bank in which the member owns lands.
(*b*) If the member is a nominated Director under by-law 18, quote the number and date of the proceedings of the Registrar or of the President, C.L.M.B., relating to the nomination.
12 Signature of the member.

Date and number of resolution of the Board authorizing the allotment.	Number of shares allotted.	Date of payment.	Shares paid up.		Entrance fees.	Transfer fees.	Date and number of resolution authorizing the transfer or refund of shares.	Date of cessation of membership or transfer of shares.	Shares transferred.		Transferee's number and name.	Progressive total or balance of paid up share capital.	Secretary's initials.	Auditor's initials.	Remarks.
			Number.	Amount.					Number of shares.	Amount.					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)

4. (*a*) *Register of Members (B Class).*

Serial number.	Name and address of the member. If minor or other person under legal disability, name and address of the guardian and his admission number, if any.	Date and number of resolution of the Board authorizing admission.	Number and name of A class member concerned.	Date of payment.	Share capital.	Date of resolution of the Board authorizing transfer or refund.	Date of refund or transfer.	If transfer, transferee's name and number.	Amount.	Secretary's initials.	Auditor's initials.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)

1. Entrance fees.
2. Signature of the number.

5. *General Ledger.*

Name of account.

Date. (1)	Day book page. (2)	Particulars. (3)	Receipts. (4)	Payments. (5)	Balance. (6)	Secretary's initials. (7)	Auditors's initials. (8)

6. *Loan Application Register.*

Serial number. (1)	Date of receipt of application. (2)	Number and name of applicant. (3)	Amount of loan applied for. (4)	Details of properties offered for mortgage.				Other properties owned.				Date of reference to supervisor. (13)	Date of receipt of Supervisor's report. (14)	Date of application for encumbrance certificates. (15)	Date of receipt of encumbrance certificates. (16)	Date of notice to applicants for production of documents, etc. (17)
				Village. (5)	Class (wet, well-aided or dry). (6)	Extent. (7)	Value. (8)	Village. (9)	Class (wet, well-aided or dry). (10)	Extent. (11)	Value. (12)					

Date of receipt of documents. (18)	Date of reference to legal advisor. (19)	Date of receipt of legal opinion. (20)	Date of reference to inspecting Directors. (21)	Date of receipt of inspecting Directors' report. (22)	Names of inspecting Directors. (23)	Date of reference to Co-operative Sub-Registrar. (24)	Date of receipt of Co-operative Sub-Registrar's report. (25)	Date of resolution of the Board of Directors. (26)	Date of despatch to the C.L.M.B. (27)	Date or rejection or withdrawal. (28)	If rejected, by whom. (29)	Reasons for rejection (in brief). (30)	Sanction by C.L.M.B.		Date of disbursement. (33)	Loan number and amount. (34)	Secretary's initials. (35)	Inspecting officer's initials. (36)	Remarks. (37)
													Date and number of L.S.O. (31)	Amount. (32)					

NOTE.—In the case of loan applications re-entertained add a note to that effect in remarks column.

7. *Register of Loan Application Fees.*

(By-law 45.)

Serial number (1)	Loan application.		Demand.					Collection.					
	Number and date. (2)	Amount. (3)	Administrative charges. (4)	Legal fees. (5)	Other fees, if any. (6)	Fines, if any. (7)	Total. (8)	Date. (9)	Administrative charges. (10)	Legal fees. (11)	Other fees, if any. (12)	Fines, if any. (13)	Total. (14)

Balance.					Payments.				Refunds.		Total [columns (21) to (25)]. (26)	Difference [column (8) minus (26)] (27)	Remarks. (28)
Administrative charges. (15)	Legal fees. (16)	Other fees, if any. (17)	Fins, if any. (18)	Total. (19)	Date. (20)	Inspecting Director 'travelling allowance. (21)	Legal advisor's fees. (22)	Other charges, if any. (23)	Administrative charges. (24)	Legal fees. (25)			

8. *Register of Loan Sanction Order.*

1. Serial number.
2. Number and date of loan sanction order.
3. Date of receipt of the loan sanction order.
4. Amount of the loan sanction order.

Loan Application number and date.	Loan case number.	Amount.	Date of notice of the receipt of loan sanction order.	Mortgage bond.		Assignment deed.		
				Date of execution.	Date of registration.	Date of execution.	Date of registration.	Date of despatch to C.L. M.B.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

Date of receipt of cheque from the C.L.M.B.	Date of notice to the borrower.	Date of encashment of the cheque.	Disbursement.			Balance.	Secretary's initials.	Inspecting officer's initials.	Remarks.
			Loan number.	Date.	Amount.				
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)

9. *Register of Mortgages.*

1. Serial number.
2. Number and name of members who execute the Indenture (specify A and B separately.)
3. Indentures—
   (*a*) Date of execution.
   (*b*) Date of registration.
   (*c*) Number, volume and page in the Sub-Registrar's Office.
4. Assignment deed—
   (*a*) Date of execution.
   (*b*) Date of registration.
   (*c*) Number volume and page in Sub-Registrar's Office.
5. Loan number.
6. Date of disbursement.
7. Amount of loan.
8. Period of loan.
9. Details of other securities, if any.
10. Details of the properties mortgaged.
11. Date of application and date of receipt of further encumbrance certificate.
12. Date of certification of vouchers by Co-operative Sub-Registrar.
13. Co-operative Sub-Registrar's initials
14. Date of despatch of the loan case.
15. Page number of the file of the acknowledged index sheets.
16. Date of complete discharge of the loan.
17. Date of return of documents to the borrowers.
18. Secretary's initials.
19. Auditor's initials.

Name of villages in which the hypotheca is situated.	Resurvey number.	Extent.		Boundaries in the case of part fields.	Rent or assessment.
		Wet.	Dry.		
		A. C.	A. C.		
(1)	(2)	(3)	(4)	(5)	(6)

Estimated values of the properties mortgaged as per			Remarks.
Applicant.	Inspecting Directors.	Co-operative Sub-Registrar.	
(7)	(8)	(9)	(10)

NOTE.—Details of supplemental deeds shall be noted in headings 3 and 4 and hypotheca in column (1) of the body of the form should include additional security.

10. *Register of Borrowings.*

1. Serial number.
2. Date of execution of assignment deed.
3. Amount of assignment deed.
4. Details of indentures assigned.

Serial number.	Loan case number as per. C.L.M.B. L.S.O.	Loan number.	Amount.

5. C.L.M.B. loan number.
6. Date of draft issued by C.L.M.B.
7. Date of receipt of draft.
8. Date of encashment.
9. Amount.
10. (*a*) Rate of interest.
    (*b*) Date from which interest begins to run.
11. Period of loan.
12. Method of repayment.
13. Instalment amount.
14. Secretary's initials.
15. Auditor's initials.

Demand.

Instalment number.	Due date.	Penal interest.	Interest.	Principal.	Total.
(1)	(2)	(3)	(4)	(5)	(6)

Collection.

Date.	Penal interest.		Interest.		Principal.
	Amount.	Calculated upto.	Amount.	Calculated upto.	
(7)	(8)	(9)	(10)	(11)	(12)

Balance.			Outstanding amount of loan.	Secretary's initials.	Auditor's initials.	Remarks.
Penal interest.	Interest.	Pincipal.				
(13)	(14)	(15)	(16)	(17)	(18)	(19)

11. *Loan Ledger.*

1. Loan number.
2. Loan application number.
3. Number and name of the borrower.
4. Residence number and date of the Board of the P.L.M.B.
5. Date of disbursement.
6. Period of repayment.
7. Rate of interest.
8. Note change in the rate of interest if any, with authority and date.
9. Purpose of loan.
10. Method or repayment whether equated or equal instalment.
11. Amount of instalment.
12. Date from which interest begins to run.
13. C.L.M.B. loan number (from the register of borrowings).
14. Serial number in the register of mortgages.
15. Secretary's initials.
16. Auditors initials.

Demand.

Instalment number.	Due date.	* Penal interest.	Interest.		Principal.		Total.
			Arrear.	Current.	Arrear.	Current.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

Collection.

Date.	* Penal interest.		Interest.		Principal.
	Amount.	Calculated upto.	Amount.	Calculated upto.	
(9)	(10)	(11)	(12)	(13)	(14)

Balance.			Outstanding amount of loan.	Secretary's initials.	Auditor's initials.	Remarks.
* Penal interest	Interest.	Principal.				
(15)	(16)	(17)	(18)	(19)	(20)	(21)

12. *Register of Collection and Remittances.*

1. C.L.M.B. Loan number.

2. Amounts.

3. P.L.M.B. Loan numbers

	Amount.
	RS. A. P.
(i)	
(ii)	
(iii)	

4. Remarks.

Total ..

Principal amount collected from members.					Principal amount repaid to C.L.M.B.						Remarks.
Date.	Loan number.	Amount collected.	Amount outstanding.	Loan deposit.	Date.	Amount repaid.	Balance outstanding.	Loan deposit.	Surplus.	Deficit.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)

13. *Register of Payments by borrowers and their effect.*

Serial number.	Name of the borrower.	Loan number and amount.	Amount repaid				
			Towards partial discharge of the loan.				
			Out of income.	Out of outside borrowing.	Out of sales.		Others (specify).
					The mortgaged property.	Other property.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

repaid towards complete discharge of the loan.				Remarks.
Out of outside borrowing.	Out of the sale.		Others (specify).	
	Of mortgaged property.	Other property.		
(9)	(10)	(11)	(12)	(13)

14-A. *Register of Financial Particulars.*

(Primary Land Mortgage Banks which have borrowed only from the Central Land Mortgage Bank).

Month ending with	Paid up share capital.	Borrowings.	Loans.	Cash balance.	Share capital in Central Land Mortgage Bank.	Other investments.				
		Outstanding to the Central Land Mortgage Bank.	Outstanding against members.			In current account.	In savings bank account.	In fixed deposits.	Other items.	Total, columns (5) to (10).
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

Reserve fund.		Collections towards loans due by members.		Payments out of collections.								Remarks.
				Central Land Mortgage Bank.								
Invested.	Yet to be invested.	Principal.	Interest.	Principal.	Interest	Re-loanings.	Establishment charges.	Contingent charges.	Other items (specify).	Total of columns (16) to (21).		
(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)		(23)

14-B. *Register of Financial Particulars.*

(Primary Land Mortgage Banks which have floated their own debentures.)

Month ending.	Paid up share capital.	Borrowings.				Total, columns (3) to (6).	Loan amount outstanding against members.	Cash balance.	Share capital in C.L.M.B.	Other investments.							Total, columns (9) to (17).
		Total amount of debentures in circulation.	Total amount outstanding to the Central Land Mortgage Bank.	Debenture advances.	Other sources.					In Trustee's name.			In bank's name.				
										In current account.	In savings account.	In fixed deposit.	In current account.	In fixed deposit account.	In savings account.	Other items.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)

Reserved Fund.		Collections towards loans due by members during the month.		Payment out of collections.								Total, columns (23) to (29).	Remarks.
Invested.	Yet to be invested.	Principal.	Interest.	To debenture holders.		Re-loanings.	To Central Land Mortgage Bank.		Establishment charges.	Contingent charges.	Other items.		
				Principal.	Interest.		Principal.	Interest.					
(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)

15. *Register of classification of discharged debts.*

Land number and date. (1)	Purchase of land. (2)	Improvement of lands, wells, etc. (3)	Marriage and religious rites. (4)	Partition debts. (5)	Purchase of cattle. (6)	Education of children. (7)	Domestic expense. (8)	Famine. (9)	Litigation. (10)	Payment of kist. (11)	Cultivation expenses. (12)	Other (specify). (13)	Total. (14)	Remarks. (15)

16. *Register of land sales and lease statistics.*

FORM I.

SALES—PART I.

Ryotwari / Zamin village. Dry. / Wet.

(1)	Date of document. (2)	Serial number and Subdivision. (3)	Total area. (4)	Total assessment or rent. (5)	Total sale value (6)	Assessment or rent per acre. (7)	Sale price per acre. (8)	Ratio of column (8) to column (7). (9)	Remarks. (10)
Block I—S. Nos. 1 to 200.									1. Irrigation source—nearness to or distance from. 2. Wells, if any. 3. Kind of trees, fruit ful or not—value thereof or yield. 4. Buildings, if any.
Block II—S. Nos. 200 to .									
Block III—and so on (S. Nos.).									

FORM II.

LEASES—PART II.

Ryotwari/Zamin village. Dry./Wet.

(1)	Date of document. (2)	Serial number and Subdivision. (3)	Total area. (4)	Total assessment or rent. (5)	Total lease amount or quantity of rent in kind. (6)	Assessment or rent per acre. (7)	Lease ent per acre. (8)	Ratio of column (8) to column (7). (9)	Remarks. (10)
Block I— S. Nos. 1 to 200.									1. Irrigation source—nearness to or distance from.
Block II— S. Nos. 200 to .									2. Wells, if any. 3. Kind of trees, fruitful or not—value thereof or yield.
Block III— and so on (S. Nos.).									4. Buildings, if any.

NOTE.—The information for writing this register should be collected by Co-operative Sub-Registrars and the register maintained by the bank.

17. *Annual Re-examination Register.*

1. Serial No.
2. Name and number of member.
3. Loan number and date—Amount.
4. Mortgaged properties : Village Extent.

	Wet.		Well-aided dry.		Others.	
	A.	C.	A.	C.	A.	C.

5. Value as accepted by the C.L.M.B. and quoted in the L.S.O.
6. Other securities, if any.
7. Revaluation report (Vide below).

Date of Inspection. (1)	Loan amount outstanding. (2)	Present value of mortgaged properties. (3)	Deficit, if any, under by-law 41. (4)	Any alienation, or further encumbrances of the mortgaged properties brought to light. (5)	Are the securities referred to in item 6 above continue to be in force and in order? (6)	State of efficiency of the mortgaged properties, possession and enjoyment, Borrower's economic condition, Revenue arrears, if any, etc. Inspecting Director's or Co-operative Sub-Registrar's report with initial and date. (7)	General remarks. (8)

18. *Crop Prices Register.*

Crop.	Paddy.		Cholam.	Kambu.	Ragi.	Cotton.	Tobacco.	Jaggery.	Turmeric.	Chillies.	Groundnut.	Cocanuts.	Other crops, if any (to be specified).	Secretary's initials.
	1st sort.	2nd sort.												
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	11)	(12)	(13)	(14)	(15)
Unit														
Date														

N.B.—This register is to be posted once a month.

19. *Register of Scaling down of debts.*

Serial number.	Loan application number.	Name of creditor.	Pronote or mortgage. Date and rate of interest.	Amount of debt cited for discharge.	Amount payable on the date of discharge.	Date of payment.	Amount paid by the Bank	Amount paid by the applicant.	From what resources.	Amount got written off.	Secretary's initials.	Co-operative Sub-Registrar's initials.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)

20. *Dividend Register.*

Admission register number.	Name of member.	Number of shares.	Date from which dividend is due.	Amount of shares.	Period for which dividend is due.	Units per month.	Amount of dividend due.	Date of payment.	Signature of payee (if any illiterate, his left hand thumb-impression taken in the Secretary's presence).	Initials of the Secretary.	Initials of the Auditor.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)

21. *Register of Closed Loans.*

Serial number.	L. No. and date.	Amount of loan.	Overdue amount.					Date of Board's resolution for closing the loan account.	Date of reference for arbitration or petition to Civil Court.	Decree, if any.			
			Date from which overdue.	Principal.	Interest.	Notice and other charges.	Total.			Date.	Claim number.	Amount.	Rate of interest after award or decree and the date from which interest is to run.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	10)	(11)	(12)	(13)	(14)

Petition for sale of properties (under section 14 of the Land Mortgage Banks Act or execution of decree).				Amount recovered.						Balance.					Secretary's initials.	Auditor's initials.	Remarks.
Date.	Amount.	Costs, if any.	Total.	Date.	Principal.	Interest.	Notices and other charge.	Costs of execution or sale.	Total.	Principal.	Interest.	Notice and other charges.	Cost of execution or sale.	Total.			
(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)

22. *Register of Lands purchased and sold.*

Serial number.	Loan number.	Amount due.	Property pruchased·			Value according to the last reexamination.	Purchase price.	Date of purchase.	Date of possesion.	Income.	Assessment paid.	Balance.	If sold, date of sale.	Sale value.	Deficit, if any (3—15).	Remarks.
			Village.	Serial number.	Extent.											
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)

NOTE—In remarks column number and date of resolution of Board, authorising purchase lease or sale.

23. *Stock Book of Forms and Furniture.*

Date of receipt.	Description of form.	Quantity.	Cost.	Issues.		Value realized.	Balance of forms.	Value.	Remarks.
				Date.	Quantity.				
(1)	(2)	(3)	(4)		(5)	(6)	(7)	(8)	(9)

NOTE.—Each kind of form should be alloted a page. The register should be in two parts, one for forms and the other for furniture.

24. *Acquittance Roll.*

(For the month of

Number. (1)	Name of incumbent. (2)	Designation. (3)	Rate.		Amount payable.			Amount to be deducted.			Net amount paid. (12)	Date. (13)	Acquitance. (14)	Secretary's initials. (15)	Auditor's initials. (16)	Remarks. (17)
			Pay or leave salary. (4)	Travelling allowance. (5)	Pay or leave salary. (6)	Travelling allowance. (7)	Total. (8)	Particulars. (9)	Amount. (10)	Total. (11)						

25. *General Current Register.*

Note—Six lines to be reserved for noting further references received.

Serial number.	Number and date of communication.	From whom received.	Date of receipt.	Purport of the communication with catchwords underlined.	Reference sent out.		Number and date of disposal (if sent out in original, a copy of the final communication).	Date of despatch.	To whom despatched.	Remarks.
					Date of reference and copy of the reference if the paper is sent out in original.	Outside number and date and date of reply.				

26. *Despatch Register.*

Date of despatch. (1)	To whom despatched. (2)	Current or disposal number. (3)	Value of postage affixed. (4)	Remarks (signature of the addressee ; if delivered locally). (5)

27. *Village Information Register.*

1. Name of village.
2. Government, Zamin or Inam.
3. Population (as on).
4. Group in which the village is situated and its distance from the headquarters of the bank.
5. Sources of irrigation and their classification.
6. Classification of lands :

	Values.		Incomes.		Rates of assessment.	
	From	to	From	to	From	to
(*a*) Wet—Double crop.						
Single crop.						
(*b*) Dry—Garden, rainfed.						
(*c*) Others (specify).						

7. Number of the settlement register in the stock list.
8. Number of the village map in the stock list.
9. Members.

Serial number.	Number and name of member.	Shares.	* Loan application.		Loan.		Secretary's initials.	Inspecting officer's initials.	Remarks.
			Number.	Amount.	Number and date.	Amount.			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

* In case of rejection on withdrawal note accordingly in the remarks column.

NOTE.—This register replaces 'villagewar register of members.'

28. *Register of Attendance of the Board of Directors.*

Number.	Name of the member.	Date of meeting.
(1)	(2)	(3)

29. *Suspense Account Register.*

Receipts.						Disbursements.						
Date.	Particulars.	Details.	Total.	Secretary's initials.	Auditory's initials.	Date.	Particulars.	Details.	Total.	Secretary's initials.	Auditor's initials.	Remarks,
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	)11)	(12)	(13)

30. *Register of Bills.*

Serial number.	Date of receipt.	From whom received.	Amount.	Cheque number and date.	Date of encashment.	Initials of Secretary.	Initials of auditors.	Remarks.

31. *Register of Rectification of Defects.*

Seral number.	Particulars of defect.	Rectification report.	Remarks of Inspecting Officers.

B. LIST OF FORMS MAINTAINED BY LAND MORTGAGE BANKS.

1. *Share Application Form.*

To

The Secretary,

Co-operative Land Mortgage Bank, Ltd.

Sir,

As I wish to take shares in your bank, I request you to admit me as a member. I agree to abide by the by-laws now in force and those that may be framed hereafter.

1. Family name and name.

2. Father's name.

3. Age.

4. Caste.

5. Residence.

6. Village in which the applicant owns lands.

Yours faithfully,

Date *Signature.*

Specimen signature { (1)
(2)

2. *Share Transfer Form.*

To

The Secretary,

Co-operative Land Mortgage Bank, Ltd.

Sir,

Application of member No. of your bank (name) son of

I have received the amount of Rs. being the value of the shares held by me in your bank from of village. I therefore request you to transfer shares referred to above standing in my name in favour of mentioned above.

Date. *Signature.*

As mentioned above, I am willing to have the shares transferred in my name and I agree to abide by the by-laws of the bank.

Date *Signature.*

3. *Loan Application Form.*

To

The Secretary,

Co-operative Land Mortgage Bank, Ltd.

Sir,

I request you kindly to investigate and sanction the loan applied for in the bank on the mortgage of the lands noted hereunder. I agree to abide by the by-laws now in force and those that may be framed hereafter. I am applying for this loan on my behalf and that of my minor brothers and sons as Manager of the joint family. I am depositing Rs. towards the preliminary investigation charges. After meeting them, excess, if any, may be refunded.

Name of applicant or applicants, majors and minors. (1)	Father's name. (2)	Relationship to one another. (3)	Age. (4)	Caste. (5)	Residence. (6)	Occupation. (7)
1						
2						
3						
4						

2. (*a*) Particulars of the property owned by the applicant and belonging to himself exclusive of lease-hold, etc.

			As per old survey.					As per new survey.											
Name of village.	Government Zamindari, jirayati or inam.	Lands wet or dry.	Number.	Letter.	Total extent.	Location of the applicants portion of the field in the entire field.	Portion belonging to the applicant.	Number.	Letter.	Total extent.	Applicant's portion in the field.	If part fields, boundaries thereof.	Title to the lands.	Reference to documents filed with this application with page number.	Date of sale-deed or partition deed.	Sale value.	In whose name the deed stands.	Income from it at present.	Value as per rates prevailing in the neighbourhood.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19	(20)
					A.C.		A.C.			A.C.									

(*b*) Particulars of properties to be mortgaged.

NOTE.—Sketches for properties to be mortgaged should be filed in duplicate, one for annual verification by the primary land mortgage bank and the other for record along with documents.

(*c*) Other sources of income.

	Extent.	Gross income.
	ACS.	RS. A. P.
(i) from lease of lands belonging to others.		
(ii) from profession.		
(iii) Specify other items, if any.		
(*d*) Total income (*a* + *b* + *c*) Rs.		

3. Total existing debts :—

STATEMENT OF INDEBTEDNESS OF APPLICANTS FOR LOANS IN LAND MORTGAGE BANKS.

To

The Secretary,
President,

Co-operative Land Mortgage Bank, Ltd.,

I, , son of , residing at taluk, member No. of Co-operative Land Mortgage Bank, Limited, have applied to your bank for a loan of Rs. I owe to others only the amounts shown hereunder. In making this application for a loan, I have made you believe that I have no debts on this date other than those furnished in the statement below. The details shown below are true. To testify to this, I have secured the signatures of two respectable men of my village to attest this statement. I shall not incur any further loans before the debt due to the bank is cleared.

Name of the village of the creditor. (1)	Name of the creditor. (2)	Pro-note or mortgage. (3)	Dates for particulars in column 3. (4)	Rate of interest. (5)	Total borrowed. (6)	Balance due after repayments of principal and interest. (7)	Details in column (6) how utilized. (8)

Remarks and signature of two respectable men with date

Signature of the applicant and date.

4. Expenditure.
 (i) Number of adult family members and youngsters and cost of maintenance.
 (ii) Other expenses.

5. Annual net income, i.e., 2 (*d*)—4 (i, ii and iii). repaying capacity.

6: Amount of loan required from the bank. Rs.

Title—

7. (*a*) Particulars of the divided brothers or other persons interested in the property. To be furnished in the form of a geneological table.

   (i) Name.

   (ii) Age.

   (iii) Extent of interest.

   (*b*) Particulars of major undivided brothers.

   (*c*) Particulars of others.

8. (*a*) Do the other interested persons support the loan application? If so, secure their signature here as a token of consent.

   (*b*) I herewith file a list of documents proving my right to the mortgaged property.

   (*c*) The lands sought to be mortgaged to the bank are not subject to any mortgage or encumbrance or sale, etc. apart from the mortgage debts to be discharged by raising this loan. Further these lands have not been subject to any sale or auction either by the Civil Court or by the Revenue Department. I solemnly affirm that the above statements are true. If there be any encumbrances, liabilities, etc., other than those herein mentioned I bind myself to become liable to any legal action you may take.

   (*d*) I agree to furnish additional security of lands or surety if the bank finds the security above offered insufficient at any time before the expiry of the period of the loan.

(e) I hereby solemnly declare that all the above information given by me is true. I bind myself on notice from you to appear in your bank with my creditors and file all documents and vouchers and take the loan amount applied for. If any delay be caused by my non-appearance in time, it will rest in your discretion to cancel the loan order.

Place

Yours faithfully,

Date

Signature of the applicant.

Village.

Date

I certify that the survey number, extent, boundaries, etc., mentioned in this application are correct. These plots belong to the applicant. None else has any right to them. No arrear is due thereon at present to the Government as revenue or to the proprietor as rent. Field measurement sketches for lands mortgaged are correct.

Land number.	In whose name the land stands in the books of the Government or the Zamindar.	Are they in the actual possession and enjoyment of the applicant ?	Assessment or rent on these lands.

Village karnam.

Village Munsif

NOTE.—If the applicant fails to submit this application in duplicate and file all the documents relating to the property to be mortgaged, the loan application will not be considered.

NOTE.—The applicant's title to the lands have to be fully examined.

4. *Notice Intimating Sanction of Loan Application.*

Loan Application No.

Co-operative Land Mortgage Bank, Ltd.,

Place

Date

Notice.

As your loan application to this bank has been sanctioned, you are hereby informed that if within 15 days you fail to file the documents mentioned hereunder, execute and register the bond and take the loan amount, your application is liable to be rejected. The balance of investigation charges will be refunded from your initial deposit.

Description of documents required to be filed.

Secretary.

5. *Notice Intimating Rejection of Loan Application.*

Loan Application No. Co-operative Land Mortgage Bank, Ltd.,

Place

Date

Notice.

You are hereby informed that your loan application to this bank has been rejected. If you do not take back the documents filed along with your loan application within ten days from this date, the bank will not be responsible for their safe preservation.

Secretary.

6. *Application for Loan from the Central Land Mortgage Bank by the Primary Land Mortgage Bank.*

1. Name of the primary bank.
2. Amount of loan applied for.
3. Number of original application covered by this application.
4. Period of loan and proposed dates of repayment of instalments of principal and interest.
5. (i) Share capital of the bank.
   (ii) Reserve fund.
   (iii) Debentures issued. A. Series B. Series.
   (iv) Cash balance. {On hand. With bankers.
6. Maximum borrowing power of the Bank :—20 times paid-up share capital and reserve fund.
7. (1) Amount due to the Central Land Mortgage Bank on 30th June.
   (2) Amount borrowed subsequently.
   (3) Amount repaid.
   (4) Balance outstanding.
   (5) Overdue. {Principal. Interest.
8. (1) Amount due from members on 30th June.
   (2) Amount lent subsequently.
   (3) Amount repaid by members.
   (4) Balance outstanding.
   (5) Overdue. {Principal. Interest.

N.B.—State briefly reasons for overdues iu column 7 and 8.

Date

Secretary.

(To be filled in by the Central Land Mortgage Bank.)

9. Numbers of application $\frac{\text{sanctioned}}{\text{rejected}}$ by the C.L.M.B.
10. Amount of loan sanctioned by the C.L.M.B.

7. *Report of the Supervisor.*

Report of the Supervisor of the Co-operative Land Mortgage Bank, Limited, No.

1. Loan application No. 2. Amount of Loan : Rs. 3. Period of Loan : Years.

4. Particulars regarding the applicant or applicants.

Number.	Admission number and name.	Age.	Caste.	Occupation.	Residence.	Relationship of one another (if more than one applicant).	If member of any co-operative society.										Remarks.
							Name and number of society.	Applicant's G. number.	Loans due by him as principal borrower.				Loans due by him as surety.				
									Amount borrowed.	Amount outstanding.	Principal overdue.	Interest overdue.	Amount borrowed.	Amount outstanding.	Principal overdue.	Interest overdue.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)

5. Purpose of the loan :

(*a*) If for redemption of mortgages or discharge of prior debts particulars relating to the debts.

Number. (1)	Name of creditor. (2)	Residence of creditor. (3)	Mortgage or pronote. (4)	Date. (5)	Amount borrowed. (6)	Rate of interest per annum. (7)	Purpose for which utilized. (8)	Principal outstanding after repayments. (9)	Interest due and accrued up to date. (10)	Total amount outstanding (9) + (10). (11)	Remarks. (12)

(*b*) If for improvement of lands or of methods of cultivation,

(i) Give full details regarding the improvement proposed to be effected.

(ii) Necessity for the improvement.

(iii) Is the loan amount to be disbursed in full at once or in instalments ? If latter, the probable dates when the instalments will be required.

(iv) Further remarks, if any.

(*c*) If the purchase of lands in special cases as per by-law 38 (iv), particulars relating to the lands proposed to be purchased.

Number. (1)	Village survey number and name. (2)	Government, inam or zamin. (3)	Wet or dry. (4)	Survey number. (5)	Total extent. (6)	Entire or part field. (7)	In part field, extent. (8)	Assessment. (9)	Has the applicant any portion already in the field or adjacent to it ? (10)	If so, Their survey number. (11)	If so, Their extent. (12)	Remarks. (13)

6. Particulars relating to the lands offered for mortgage—

										Applicant's portion.					If dry		If wet					Soil.		
Serial number.	Name and survey number of village.	Government, zamin or inam.	Old survey number.	Total extent.	Applicant's portion.	Boundaries, if any.	Resurvey number.	Total extent.	Total assessment.	Extent.	Assessment.	If part field, location or boundaries if any.	If part field, reference to pages at which sketch is certified filed.	Wet or dry.	Group.	Extent well aided.	Single or double crop.	Source of irrigation.	Class of irrigation.	Duration of water-supply in the year.	Remission, if any.	Nature.	Class.	Remarks, if any.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)

					Wells, if any.			Trees, if any.					Standing crop on the date of inspection.				Patta, or title-deed, if inam land.						If leased.		
Taram.	Rate of assessment.	Date of inspection of the field.	Local names of the field, if any.	Location of the field.	Number.	Extent of applicant's right.	Remarks, if any.	Name of trees.	Number.	Remarks.	Crops raised in the fields.	Respective harvesting months.	Name of crop.	Extent.	Condition.	Date of verification with village accounts.	Number.	Single or joint.	Names of pattadars.	If not in applicant's name, his relationship to the pattadar.	Remarks.	Leased or own cultivation.	Name of lessee.	Reference to lease deed, if any.	Remarks.
(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)

7. Title :

(*a*) Trace in detail from the beginning the right of the applicant and his predecessors to the lands offered for mortgage with reference to documents filed.

(*b*) Names, with duration of the persons who were enjoying these lands during the last 24 years :

(*c*) (i) Names, with age and address, of all co-parceners, if any, in the lands offered for mortgage :

(ii) To what share is each entitled to in the properties ?

(iii) Do they all join in the loan application ?

(iv) Remarks, if any :

(*d*) If the applicant be a woman, her husband's name, and names of his co-parceners, if any, of the lands offered for mortgage :

(*e*) Is anybody entitled to a right of maintenance over the properties offered for mortgage ? Give details :

(*f*) Are the lands offered for mortgage in the actual possesion and enjoyment of the applicant ? If not, give reasons :

(*g*) Has legal opinion been obtained? Refer to pages at which filed :

(*h*) Fill up the enclosed statement of title in respect of each item of property offered for mortgage :

(*i*) Dates and other particulars of documents, if any, to be produced by the applicant, with the necessity for them noted against each, in brief :

(*j*) Remarks, if any, with reference to legal opinion, village accounts, etc. :

Application number. **TITLE.** Village in which the property

Name of the Applicant M. No. situated, S. No.

Serial number.	Survey number.	Subdivision.	Total extent.		Applicant's portion.		How acquired.	Date of sale-deed or partition-deed.	Pages at which concerned documents filed.	Remarks.
			Acre.	Cent.	Acre.	Cent.				

Encumbrance certificate No.........of......S.R.O.

Loan application No. Period of search. S. No. of the village and name.

Member number and name. Date, from........to...... Survey field Nos.

Item as per encumbrance certificate.	Nature of encumbrances.	Date of encumbrance.	How discharged.	Remarks.

8. **Encumbrances :**

(*a*) **Has the encumbrance certificate for the past 23 years been obtained and filed ? Refer to pages at which filed. Fill up the statement of encumbrances attached in respect of each item.**

(*b*) **Any encumbrances still subsisting.**

(*c*) **Remarks, if any.**

9. **Valuation.—(*a*) Give the following details :—**

Serial number of the field in the same order as in paragraph 6.	Survey number.	Extent.	Assessment.	Last sales in the neighbourhood of the fields, if any, from statistics register.					Applicant's valuation.	Village officers' valuation.	Director's valuation.	Supervisor's valuation.	Basis for Supervisor's valuation.	Ratio of value to assessment col. (13) : col. (4).	35 per cent of value if dry land, 40 per cent if wet land.	Remarks.
				Document number and date.	Survey number.	Extent.	Total sale value.	Sale price per acre.								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)

(*b*) Does the total value satisfy the requirements in by-law 41, and the minimum with reference to the amount of loan (35 per cent for dry lands, and 40 per cent for wet lands) prescribed by the C.L.M. Bank ?

(*c*) Remarks, if any.

10. Income—(*a*) Give the following details :—

Serial number of fields in the same order as in paragraph 6.	Survey number.	Extent.	Assessment.	Leased or own cultivation.	If leased.			Last registered lease deeds in the neighbourhood of the fields if any from the statistics registers.					Crop.	If cultivated by the applicant, particulars.				Estimate of net income (6—4) or (18—4).				Remarks.
					Lease income.	Reference to pages, at which lease deed is filed.	Remarks.	Document number.	S. number.	Extent.	Lease amount.	Lease rent per acre.		Yield.	Value.	Cultivation expenses.	Income.	Supervisor's.	Applicant's	Director's estimate.	Village officer's.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)

(*b*) Is the total income adequate for the repayment of the annual instalment under the equated (equal principal) system ? If not, how is the deficit to be met ? Give figures.

(*c*) Remarks, if any.

11. Other Sources of income.

(*a*) Particulars relating to the income from lands owned by the applicant other than those offered for mortgage.

Serial number.	Name and number of village.	Government inam or zamin.	Wet or dry.	Survey number.	Extent.	Assessment.	Leased or own cultivation.	Lease income or net income after deducting cultivation expenses.	Basis for the Estimate.	Net income (9)—(7).	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)

(*b*) Particulars relating to the income from lands taken up for lease by the applicant.

Survey number.	Name and S. number of villages.	Survey number.	Extent.	Period of lease.	Refce. to regd. lease deeds, if any.	Income from the field.	Lease income.	Net income for the lessee.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

(*c*) Income from profession, if any: Give full details.

(*d*) Other sources, if any. Give full details.

(*e*) Total — $a + b + c + d$ — (in para. 11).

12. Family Expenditure.

(*a*) Number of souls, major and minor, including dependants, if any, with details.

(*b*) Average cost per mensem assessed in accordance with the status of the applicant.

(*c*) Additional item of expenditure, if any.

(*d*) Total family expenditure per annum.

(*e*) Remarks, if any.

13. Repaying Capacity :

(*a*) Give details in the following form :

Income.	Amount.			Expenditure.	Amount.		
I. Income from lands offered for mortgage (vide para. 10).				Family expenditure (vide para. 12).			
II. Income from other sources (vide para. 11).				Instalment on loan applied for (Rs. . . equated or equal principal instalment system).			
Total ..				Total ..			

Net surplus or deficit estimated Rs.

(*b*) Remarks, if any.

14. Conclusion :

(*a*) Personal opinion of the Bank Supervisor.

i. Whether the applicant has any other debts (with ref. to the statement of total indebtedness filed by the applicant). If so, has he sufficient resources to meet these extra debts ?

ii. Whether the applicant will duly repay the loan.

iii. Can the loan be sanctioned or not ? If it can be sanctioned how much ?

iv. Further remarks, if any.

(*b*) Who are all to execute the indenture deed to the Bank ?

(*c*) Who are to attest the deed as witnesses, if there be any necessity for such ?

(*d*) What date will be suitable to applicant to repay the loan ?

(*e*) Further remarks, if any.

15. Summary :

(*a*) Purpose.

(*b*) Title.

(*c*) Value.

(*d*) Income Rs.

(*e*) Repaying capacity.

(*f*) Recommended, Not Recommended.

Camp

Date

Supervisor of L.M. Bank.

8. *Notice of Instalment of Loan Due.*

Co-operative Land Mortgage Bank, Ltd., No.

(Preliminary Demand Notice to be given 15 days before the due date.)

Place

Date

The instalment of your loan in this bank is due on . Within that date you should pay the amount specified below. Please take notice that if you fail to do so, not only will you be liable to be charged penal interest under by-law No. of this bank, but also your loan account will be closed and the whole amount recovered from you at once.

General number.	Name of member.	Loan number.	Principal.	Interest.	Total.

Note.—The bank is not bound to give this notice and the member cannot therefore delay payment on the ground that this notice did not reach him.

Secretary.

9. *Docket Sheet.*

General number.

1. Name of the applicant.
2. Place of residence.
3. Village where the property is situated.
4. Amount of loan applied for and period of repayment.
5. Date of receipt of loan application.
6. When referred to Supervisor for preliminary enquiry.
7. Date of application to the Sub-Registrar for encumbrance certificate.
8. Date of receipt of encumbrance certificate.
9. Date of reference to the supervisor or group directors for final scrutiny.
10. Date of receipt of final report from the Supervisor or group directors.
11. Date of reference to the legal adviser.
12. Date of receipt of report of legal adviser.
13. Date of reference to Co-operative Sub-Registrar for scrutiny.
14. Date of receipt of Co-operative Sub-Registrar's remarks.
15. Number and date of meeting sanctioning the loan or rejecting it. Amount of loan sanctioned.
16. Date of execution of the documents by the borrower.
17. Loan number and date of disbursement of the loan.
18. Remarks.
19. Date of receipt in C.L.M.B.
20. Date of meeting and disposal by the executive committee.
21. Serial number of loan sanction order.

10. *Index Sheet.*

Serial number.	Description of the documents.	Pages.

Form No. 11.
Directors' Report.

To

M.R.Ry. Avargal,

Inspecting Director,

Sir,

L.A. No. of is forwarded herewith with the connected documents and papers filed for your kind inspection and report.

Date

Secretary.

L.A. No. Amount applied for Rs.

Name of applicant.

Village.

1. Are all the statements made by the applicant in the loan application correct ?
   If there is any discrepancy, please point them out.
2. Date of inspection of property offered for mortgage and notes of inspection.
3. What is the present value of each of the items offered as security ? Give details as to survey number, extent, nature of the land, viz., wet or dry, and the date on which the valuation was made. If there is sale of lands of similar quality in the neighbourhood valuation as per those sale deeds should be given.
4. Yearly net income of each item of the land offered as security after deducting kist and cost of cultivation and how it was assessed.
5. If, besides the debts mentioned in the loan application above, any attachment of the lands offered as security comes to light during enquiry set them out here.
6. Director's remarks as regards title, possession and enjoyment.
7. Various heads of income to the applicant, the annual income under each head and the family expenses.
8. Opinion of the director as to whether the applicant will repay the debt regularly.
9. Can the loan be sanctioned and if so, how much ?
10. Any point other than those set about which the director may wish to note.

Date *Signature.*

FORM NO. 12.

Notice to Creditor or Creditors.

(Section 29 of the Madras Land Mortgage Banks' Act.)

Loan application of

To son of residing at hamlet of village you are hereby required to appear in person or by duly authorised agent at the registered office of this bank on and receive payment of the amount due to you from the said .

If you fail to appear on the date, the amount will cease to carry interest from the aforesaid date.

Secretary,
The Land Mortgage Bank, Limited.

Dated

FORM NO. 13-A.

(*Notice to the Mortgagor.*)

(Section 13 (2) (*b*) (i) of the Madras Land Mortgage Banks' Act.)

To

son of

village.

Whereas you have on executed a mortgage bond in favour of this Bank for a sum of Rs. , whereas the loan has been closed and a sum of Rs. is due on the loan as on 193 with subsequent interest at per cent per annum, this is to give you notice that in default of payment of the aforesaid amount with interest as aforesaid within seven days hereof the properties mortgaged under the above mortgage bond will be sold without the intervention of Court, in virtue of the power conferred by the mortgage bond to realize the amount.

Secretary,
The Co-operative Land Mortgage Bank, Limited.

FORM NO. 13-B.

(*Notice to persons other than the Mortgagor*)

[Section 13 (2) (b) (ii), (iii) and (iv).]

To

son of

village.

Whereas son of of village has on executed a mortgage bond in favour of this bank for a sum of Rs.

Whereas the loan has been closed and a sum of Rs. is due on the loan as on 193 with subsequent interest at per cent per annum, this is to give you notice that in default of payment of of the aforesaid amount with interest as aforesaid within seven days hereof, the properties mortgaged under the above mortgage bond and set out hereunder will be sold without the intervention of Court, in virtue of the power conferred by the mortgage bond to realize the amount due.

List of properties mortgaged.

Secretary,
The Co-operative Land Mortgage Bank, Limited.

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